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Sub-Saharan Africa Report

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10 APRIL 1987

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ANGOLA

PCP MILITANTS REPORTEDLY ASSIST FOREIGN SECRET AGENTS

Lisbon TEMPO in Portuguese 19 Feb 87 p 64

[Text] Communist Party militants regularly offer assistance to all kinds of foreign secret services, and especially to those of Angola and various Eastern bloc countries.

The support given to the Angolan secret services is quite significant; sources close to the intelligence services told our newspaper that a large part of the DISA [Directorate of Security and Intelligence] work in Portugal is done by communist militants, who devote a great deal of the party activities to this cooperation with friendly countries. This support goes from the collection of information on UNITA activists in Portugal to the surveillance of their activities and the grant of transportation means.

In relation to certain Eastern bloc countries, which have numerous agents in Portugal under the guise of diplomatic personnel, the support provided by the communist militants is more reduced, but nevertheless quite important.

Indeed, the agents that are found in the embassies of the great majority of Eastern bloc countries are under the permanent surveillance of the military intelligence services, specifically the counter-espionage organization headed by Commandant Serradas Duarte, whose headquarters are on Avenida Gago Coutinho. Due to the lack of operational means, the Serradas Duarte men are often outwitted in the streets of Lisbon by experienced agents who enjoy diversified support. More concretely, certain diplomatic "functionaries" are limited in their travels around the country because their "curriculum" is only too well-known by the military intelligence services. Moreover, even those who are not known to be secret agents cannot carry out their activities unimpeded by using, for example, embassy vehicles. This is where they receive the precious cooperation of some communist militants, who put at their disposal "clean" vehicles they can use for their trips. As is known, Portugal is a paradise for various things, and particularly for spies. Until recently, only the military services, through the DINFO [Intelligence Service] carried out counter-espionage activities and detected eventual actions against the security of the state. In spite of inefficient and scarce means, these services were able through

the years to detect the movements described above and to make a list of a group of PCP militants and officials involved in the support to foreign secret services. The recent polemics on the existence of dossiers about these militants may, meanwhile, make a serious problem related to the hiring of personnel in the SIS [Security Intelligence Service]--a service that will take over in a few years many of the tasks of the DINFO--fall into oblivion. According to reliable sources contacted by TEMPO, the silence maintained by the PCP in relation to the "new secret services" may mean that the Portuguese communists have already been able to carry out the necessary infiltrations. It should be recalled that the PCP is the only political party with a real intelligence service and that, for this particular reason, it could feel threatened by the establishment of the SIS.

/9604

CSO: 3542/75

BURUNDI

BRIEFS

CULTURAL ACCORD WITH CSSR--The Burundian external and cooperation minister and the Czechoslovak ambassador to Burundi on 6 March signed a cultural agreement between their respective countries. They are also due to sign a protocol of implementation of the agreement for the 1987/89 period. A commercial accord will be signed in the near future. [Summary] [Bujumbura Domestic Service in French 0420 GMT 7 Mar 87 EA] /12913

CSO: 3400/269

BRIEFS

NEW POWER STATION--The World Bank has given its approval to the construction of a new thermal power station, as part of a plan aimed at giving Mauritius an additional generating capacity of between 20 and 30 megawatts to meet the island's future needs. Last year Mauritius produced 1.5 million kilowatts, which was enough to satisfy demand. However the Central Electricity Board would like to maintain a comfortable security margin. [Text][Paris THE INDIAN OCEAN NEWSLETTER in English 17 Jan 87 p 5]/12828

CSO: 3400/82

MOZAMBIQUE

ZIMBABWE, TANZANIA, ZAMBIA TO STEP UP AID TO FIGHT RENAMO

Lisbon TEMPO in Portuguese 28 Jan 87 p 18

[Text] After Zimbabwe, now it is Tanzania's turn to send more troops to fight alongside the Maputo government's forces against the Renamo guerrillas in Mozambique. According to diplomatic sources, Tanzania, a neighbor of Mozambique and a Frelimo ally, has already sent 15,000 soldiers into the Mozambican war. It is assumed, however, that these men have not yet gone into combat with Renamo, whose increase activity is a source of worry to the Tanzanians. That country's greatest concern is that the rebels might win and install a pro-Pretoria government in Maputo. Therefore, Tanzania believes that its top priority is to step up its aid to Mozambique.

Zambia, too, shares the same fears and is about to send (or has actually already sent) a military contingent to ensure the defense of those areas of Mozambique where Renamo is most active. As we reported in late December, the war in that country is becoming more international. In fact, one of the last meetings over which the late President Samora Machel presided was entirely devoted to the study of a plan that sought to neutralize the aid Malawi was then giving Renamo. Zimbabwe, Zambia, and Tanzania were directly involved in these discussions, as we reported in detail at the time; in fact, we published an extensive dossier on the topic.

Within the same spirit of cooperation was a proposal to set up a Federation of States--initially between Zimbabwe and Mozambique. This was one of Samora Machel's ideas which Joaquim Chissano--now as President of Mozambique--has once again publicly endorsed.

12830/12951

CSO: 3442/94

FOREIGN TROOP INTERVENTION SAID TO DAMAGE FRELIMO'S CREDIBILITY

Lisbon O DIABO in Portuguese 17 Feb 87 p 21

[Article by Antonio Maria Zorrol]

[Text] The People's Republic of Mozambique, i.e., Frelimo, has shown itself to be more and more obsessed with self-flagellation. At the same time as it bemoans the misfortunes caused by the civil war, it seems determined not only to maintain that war but to internationalize it and prolong it indefinitely.

Before the death of Samora Machel, the Renamo leader Afonso Dhlakama had given up the idea of reaching any understanding with Frelimo and made no secret of this. Joaquim Chissano's replacement of Machel led the resistance leader to review his position.

"We are always willing to negotiate a peace," said Dhlakama early this month, adding that if in fact Chissano was interested in peace he should contact his opponents. The only conditions suggested by the rebel leader are the same as before: "the withdrawal of the foreign troops from the country and the establishment of a conciliatory atmosphere that would permit holding elections." Maputo answered with silence and proceeded with measures to internationalize the conflict.

From Dar es Salaam comes word that Tanzania is getting ready to play an "even more active role" in support of the Frelimo regime, mobilizing 15,000 men for this purpose. In Lagos, one hears that Nigeria is considering a request for military aid made in December by President Chissano--aid that would include the sending of 5,000 Nigerian soldiers to Mozambique. Meanwhile, Chissano and Mugabe meet in Victoria Falls and the result is a declaration that Zimbabwe and the People's Republic of Mozambique are going to intensify their military cooperation.

One particular piece of evidence stands out from this set of news reports: Frelimo is finding it more and more impossible to dominate the rebels by itself--those forces it still insists on calling the "armed bandits" but which, after a half dozen years of activity, control immense areas of the country and have brought almost all economic activity to a standstill. Chissano was the first to recognize this when he said, as he took office as president, that combating the rebels was his priority.

It is known that Zimbabwe has been taking part in this civil war for a long time. It contributed a substantial contingent that was initially assigned to protect the nerve centers of the Beira corridor but which, beginning in 1985, decided to go on the offensive; still, it is equally well known that no improvements in the unfortunate situation faced by Frelimo resulted from that intervention --except from a short-lived occupation of some Resistance basis in Gorongosa which were rapidly retaken by Afonso Dhlakama's guerrillas. Those forces continue to sabotage the Beira oil pipeline whenever it suits them and to make impracticable the investments that multinational capitalism has planned for the region. At most, the troops from Zimbabwe served to delay the collapse of the Frelimo regime.

Why Frelimo Refused Cuban Aid

The government's situation is getting so much worse that even the U.S. ambassador in Maputo, Peter de Vos, has lost his habitual optimism and cabled Washington to report that the disruption "has attained disastrous proportions." The message was made public by Senator Edward Kennedy and confirmed by Michael Armacost, Under Secretary of State for Political Affairs. But none of these men appear to have perceived yet that the solution does not lie in reinforcing economic aid to Frelimo but rather in convincing Frelimo that the war has been lost and that it is not worth transforming into a regional conflict in the service of Soviet imperialism.

To the proof of the military impotence of the governmental sector, underscored by the request for aid from Nigeria, must be added another: Frelimo is losing whatever domestic representativity it might someday be able to claim. It is beginning to be seen as an instrument of the internationalist offensive in southern Africa. The foreign troops called into Mozambique go there with the announced intention of defending not a country attacked by an external enemy but an ideology--Marxism--that is being resisted internally by many Mozambicans. They also go to be closer to the South African border, which in no way helps to moderate Pretoria's behavior.

The government's army is undeniably an internationalist army. In contrast, it does not appear that foreign soldiers have been found among the guerrillas of the Resistance and so far Frelimo's propaganda has not even insinuated this. The latter never ceases to state, although with decreasing credibility, that the rebels have outside support--first from the Republic of South Africa, then from Malawi, or from both--but never says that it has killed or captured any foreigners, which is rather significant. Would it be an exaggeration to say that the truly Mozambican forces in the Mozambique civil war are those that Maputo calls the "armed bandits"?

In this context, perhaps some will find strange the news published in JEUNE AFRIQUE--a magazine regarded as extremely accurate on African affairs--to the effect that Joaquim Chissano refused an offer by Fidel Castro to send a Cuban expeditionary force. On the contrary--it would be stranger if he did accept it.

The new president of the People's Republic of Mozambique is intelligent enough not to give the Cubans the same role in his country that they have in the

People's Republic of Angola, a role that is the basis for the support the United States is giving the UNITA rebels.

Chissano would gladly accept all the foreign mercenaries anyone would send him to keep him in power--anyone except the Cubans, since this would not be just the discreet presence of some "military advisors" to supplement the Soviet or East Germans. This is because, once Cuban troops are in Mozambique as they have been for 12 Years in Angola, the United States would lose the illusions it insists on maintaining as regards the conversion of Frelimo and its political "opening" to the West. And it's not only that the loans and other forms of aid would cease to flow from the United States. People might even begin asking awkward questions in Washington and New York about the murder of Joana Simeao and other political opponents of Frelimo, about the use of poison gas against the rebels, about the number of prisoners against which no formal charges have been made, about the of the "law of the whippings" and about the other violations of human rights so often--and so uselessly--denounced by Amnesty International.

The risk is great, and not worthwhile. Angola has already proven that the Cubans don't win wars.

12830/12951
CSO: 3442/94

MOZAMBIQUE

MARIO MACHUNGO ANNOUNCES INCREASED COOPERATION WITH JAPAN

Maputo NOTICIAS in Portuguese 13 Feb 87 p 1

[Text] Yesterday afternoon, in his office in Maputo, Prime Minister Mario Machungo received a Japanese delegation which is here on an official visit, seeking to increase economic cooperation between Mozambique and Japan.

Mario Machungo expressed thanks for the visit, declaring it was a further expression of the shared desire for closer relations of friendship and cooperation, nourishing the seeds that were planted and took root during the visit by the late Samora Machel to Japan last year.

"Your presence during this difficult moment for our country is an encouragement and a testimony to the friendship and solidarity which the government and people of Japan share with the Mozambican Government and people," he said.

Assessing the conversations between the Japanese delegation and the Mozambican authorities, the chief of government said they were conducted in a friendly atmosphere and that the government is optimistic about the future of relations between the two countries, since they are developing securely and progressively.

Also yesterday, during a ceremony in the Mozambican Chamber of Commerce in Maputo, there were preliminary discussions regarding the creation of a Japanese-Mozambican economic association.

The association will be formed by Mozambican companies which already do business with Japanese firms.

Mozambique was represented by Jacinto Veloso, minister of cooperation, and by Daniel Gabriel, vice minister of commerce, who escorted the Japanese delegation, which was led by Kunisada Kune, director of the African and Middle Eastern Division of the Japanese Ministry of Foreign Affairs.

The purpose of the economic association is to supply information and the like, to draft studies regarding the protection of interests and to put out publications which will contribute to the enhancement of a sound economic balance between the two countries.

This association is a counterpart of one already existing in Japan, created in April 1986, when Mozambican leader Samora Machel visited that country.

At that time, important steps were taken to strengthen relations between Mozambique and Japan and to create an instrument of support for Mozambican-Japanese economic relations.

The Japanese delegation was also received by Foreign Affairs Minister Pascoal Mocumbi, who spoke with the members for about an hour, discussing aspects of cooperation and economic development in our country, as well as the economic recovery measures decreed by the Mozambican Government.

On that occasion, the chief of the Japanese delegation said the purpose of his trip to Mozambique was to analyze the effects of the war which the imperialists are waging against us and to learn about the current situation in Mozambique. He pledged his country's assistance in alleviating the various social and economic problems facing our country.

Kunisada Kune told the Mozambican chief of diplomacy that his country is firmly opposed to the backward system of racial segregation practiced by Pretoria and that Japan is exerting pressure on P. Botha's racist regime to abandon its system of "apartheid." To this end, Japan has been applying various economic sanctions.

During yesterday morning, the Japanese delegation had several meetings at the ministries of Cooperation, Mineral Resources, Finance and Agriculture. At the last two ministries, they discussed questions, respectively, of economic recovery and the training of Mozambican cadres in Japan. The Japanese delegation departed from the Mozambican capital yesterday evening.

6362

CSO: 3442/99

ECONOMIC RECOVERY PROGRAM: NEW TAXES, PRICES PUBLISHED

Maputo NOTICIAS (Supplement) in Portuguese 31 Jan 87 pp 1-8

[Tax law effective 1 January 1987 and various decrees, ministerial orders, and notices regarding new taxes and prices]

[Text] Contents:

Beverage and Tobacco Taxes	Billings in Foreign Currencies
New Income Tax Rates on Wages	Special Industrial Tax on Revalued Inventories, Current Transactions
State Retirement, Disability Pensions	Drinking Water Rates
New Distribution Taxes	Prepaid Industrial Tax, Specific Fee Increases
Special Industrial Tax Assessment	Retirement, Disability Pensions
Increase in Specific Duties, Fees	National Reconstruction Tax Rates for 1987
Telephone, Telex Rates	Flat Rate Industrial Taxes for 1987
Postage Rates	Rates for Prepayment of Industrial Tax
Urban Mass Transit Fares	Electricity Rates
River, Maritime Fares, Rates	Foreign Exchange Rates
Intercity Fares, Rates	
Railroad Fares	
Domestic Air Fares	
Tax Law	

Beverage and Tobacco Taxes (Ministerial Order No 21/87)

Under the powers granted by article 7, paragraph 2 of Decree No [not stated] dated 22 January, the minister of finance orders:

1. The following amounts of consumption tax are established for the products listed below.

Ministry of Finance, Maputo, 30 January 1987; Minister of finance: Abdul Magid Osman.

1. Beer (MT [meticals] per bottle or barrel)

<u>Packaging</u>	<u>Consumption Tax</u>			
	<u>Light Beer</u>	<u>Dark Beer</u>	<u>Special</u>	
	<u>10 percent</u>	<u>12 percent</u>	<u>12 percent</u>	<u>16 percent</u>
<u>Bottles:</u>				
0.28 liter NR	44.50	50.10	34.15	67.60
0.30 liter	55.50	61.10	60.10	75.90
0.57 liter NR	101.30	112.60	110.70	145.40
0.60 liter	105.10	116.70	114.50	148.60
1.00 liter	153.70	169.70	166.50	204.80
<u>Barrels:</u>				
30 liters	5,873.00	6,379.40	6,286.90	7,587.00
50 liters	9,724.40	10,466.20	10,311.00	12,678.10
100 liters	19,559.80	21,349.40	21,038.50	25,472.20

2. Processed tobacco (MT per box, pouch, or pack)

a) Filter cigarettes

<u>Brand</u>	<u>Packaging</u>	<u>Actual weight</u> <u>(grams)</u>	<u>Consumption tax</u> <u>(MT)</u>
Vitoria	Box (30)	36	262.50
Palmar	Pack (20)	23	168.83
GT	Pack (20)	24	172.01
Comodoro	Pack (20)	24	178.64
LM	Pack (20)	24	169.80
FN	Pack (20)	23	170.12
Polana	Pack (20)	24	171.80
CB	Pack (20)	24	167.20
MC	Pack (20)	23	161.20
Beira	Pack (20)	24	158.60
D. Carlos	Pack (20)	23	155.20
365	Pack (20)	23	159.20

b) Nonfilter cigarettes

<u>Brand</u>	<u>Packaging</u>	<u>Actual weight</u> <u>(grams)</u>	<u>Consumption tax</u> <u>(MT)</u>
Caravela	Pack (20)	20	80.10
Suaves	Pack (20)	18	83.00
Tipo-Raro	Pack (20)	22	81.80

b) Nonfilter cigarettes (continued)

<u>Brand</u>	<u>Packaging</u>	<u>Actual weight (grams)</u>	<u>Consumption tax (MT)</u>
Havana	Pack (25)	25	73.60
Cometa	Pack (25)	25	74.00
Tam-Tam	Pack (25)	25	74.00
Kwekwero	Pack (25)	20	74.00
Orrera	Pack (25)	20	74.00
Ceumar	Pack (25)	20	74.00

c) Pipe tobacco

Almirante	Pouch	50	422.40
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3. Soft drinks (MT per bottle)

<u>Brand</u>	<u>Size</u>			
	<u>1/4 liter</u>	<u>1/2 liter</u>	<u>Family</u>	<u>1 liter</u>
Pepsi-Cola	6.80	12.20	30.80	39.80
Coca-Cola	6.90	12.30	31.10	40.20
Fanta	6.00	10.80	27.20	35.20
Ginger ale	5.80	12.80	32.60	41.60
Club Soda	10.90	17.70	-	57.90
Tonic Water	6.20	10.90	27.30	35.20
Lemonade	4.40	9.20	24.70	32.20
Citrus	3.70	3.70	24.60	33.00
Strawberry	5.60	11.60	30.63	40.30
Baia	4.80	10.20	26.80	35.52
Mineral water	7.30	-	-	34.10

New Income Tax Rates on Wages

Decree No [not stated] dated 22 January 1987 established the tax on income from labor (section A), which is based on remuneration received as compensation for labor.

The attention of all taxpayers and of firms in general is called to the following:

1. The tax on income from labor (section A) applies to wages for January and subsequent months and replaces the national reconstruction tax (section A), which is abolished.

2. The new tax rates are as follows:

a) Wages up to 10,000.00 MT: 6 percent.

b) All wages exceeding the above amount: 15 percent.

3. In the case of remuneration paid to single proprietors or granted on any grounds to managing partners or managers or to members of fiscal councils or of any other corporate bodies, a single rate of 15 percent will apply.

4. In the case of remuneration that is casual or not permanent in nature, the single rate of 15 percent will apply.

5. The firms or organizations responsible for paying or delivering income or remuneration are responsible for withholding the tax and subsequently paying it to the finance department in their particular fiscal area. The processing and payment of amounts withheld is governed by the rules and deadlines set forth in the repealed national reconstruction tax (section A), Form No M/3 of which must be used for the payment of said taxes until a new form is issued.

6. During February, the firms and organizations referred to in the preceding paragraph must make the necessary corrections to reflect the proper amount of withholding on wages for January, keeping in mind the repeal of the national reconstruction tax (section A) and the new situation arising from the new tax.

7. Employees of the government, party, and democratic mass organizations are exempt from the tax on income from labor (section A). In view of this, situations resulting from the possible withholding of amounts from wages for January under the national reconstruction tax (section A) must be corrected.

8. Attention is called, however, to the fact that the additional amount due under the national reconstruction tax (section A), now repealed, continues to be due on remuneration for 1986, and the obligation to file annual tax returns and to pay the difference this coming June is still in effect.

Maputo, 30 January 1987---
National Director
Ibraimo A.C.I. Ibraimo

State Retirement, Disability Pensions

1. In accordance with a recent decision of the Council of Ministers with respect to implementation of the Economic Recovery Program, pensions of any kind due to pensioners of the state are to be adjusted.

2. The changes, to be effective as of 1 January 1987, are as follows:

a) Pensions that took effect over 10 years ago are to be increased by 100 percent, provided that the monthly minimum shall be 1,000.00 MT.

b) More recent pensions are to be increased by 50 percent, again with a monthly minimum of 1,000.00 MT.

3. In accordance with a ministerial order still to be published, it has also been decided that the same adjustment rules will apply in the following cases:

a) Pensions payable as life insurance or industrial accident insurance that are currently being paid by the Mozambican Insurance Enterprise (EMOSE).

b) Pensions from the Mozambique Mutual Pension Society.

c) Retirement, disability, or industrial accident pensions when paid directly by the employing organization.

4. Increases resulting from the adjustments being ordered here are in all cases the financial responsibility of the organization owing such pensions.

Ministry of Finance, 30 January 1987

National director

Joao Coutinho

New Distribution Taxes

By Decree No [not stated] dated 22 January 1987, the new Distribution Tax Code governing transactions conducted in the national territory by firms engaged in activities subject to the industrial tax was approved.

In that context, the attention of all taxpayers is called to the following points for their compliance.

1. Transactions conducted on or after 1 February of this year are subject to the following distribution tax rates:

a) Transactions by producers or wholesalers: 5 percent.

b) Transactions by retailers and the sale or rendering of services: 10 percent.

2. As an exception to the above, transactions in the cities of Maputo and Beira relative to products included in the new supply system will be subject to the new tax rates effective 1 March of this year.

3. The distribution tax will be considered a cost in determining the amount collectable as industrial tax and will no longer be deducted from that amount.

Maputo, 30 January 1987

National director

Ibraimo A.C.I. Ibraimo

Special Industrial Tax Assessment

Decree No [not stated] dated 22 January 1987, as supplemented by Order No 18/87 of the minister of finance, establishes a mechanism for taxing exceptional increases in value which may result from some of the financial adjustment measures called for as part of the Economic Recovery Program.

In that context, notice is given of the following:

1. Enterprises which normally engage in the export trade, production enterprises, technical assistance enterprises, and other enterprises which

normally engage in activities of a commercial or industrial nature are subject in 1987 to a special assessment of the industrial tax on excess profits due to increased inventory values or arising out of current transactions, provided that significant changes (in excess of 50 percent) have occurred in the related prices expressed in national currency or some other measure of value.

2. For the purposes of the above paragraph, export enterprises must submit, within 8 days of the date of this notice, reports listing current transactions and products in inventory as of that date. The reports must show quantities, unit prices, and values, all properly described as to kind or type of product.

3. Within the same 8-day period, production enterprises must submit reports listing the quantity and value of products in their warehouses at the close of business on 30 January 1987, provided that the said quantities exceed the monthly average sales of such products during 1986. Under the same conditions, technical assistance enterprises will submit reports listing their inventories of parts, spares, and other materials as of that same date.

4. Omissions and inaccuracies on any report with respect to inventories or current transactions will be punished with a fine equal to five times the updated value of the concealed merchandise or materials.

Maputo, 30 January 1987
National director
Ibraimo A.C.I. Ibraimo

Increase in Specific Duties, Fees

As part of the financial adjustment measures, article 7 of Decree No [not stated] dated 22 January 1987 stipulates the following:

1. All specific duties and fees listed in the customs tariffs, the stamp tax regulation, the related stamp tax schedule, and all other schedules of fees, charges, license fees, and other revenue of the same nature now in effect, including those listed in ordinances of the state's local agencies, are increased to five times their current levels.

2. The Ministry of Finance will determine any possible exceptions to or reductions in the increases stipulated in paragraph 1 above.

For the purposes of this notice, specific duties and fees are considered to be those specified as a fixed amount in currency, as opposed to ad valorem fees, which are expressed as a percentage.

Maputo, 30 January 1987
National director
Ibraimo A.C.I. Ibraimo

Telephone, Telex Rates

The National Committee on Wages and Prices has approved the following basic rates for domestic service effective 1 February 1987.

1. Rates for calls from automatic telephones:

a) Urban and suburban: 7.50 MT.

b) Long-distance:

Up to 500 kilometers:

Daytime calls (from 0700 to 1900 hours): 50.00 MT per minute.

Nighttime calls (from 1900 to 0700 hours): 30.00 MT per minute.

Beyond 500 kilometers:

Daytime calls (from 0700 to 1900 hours): 112.50 MT per minute.

Nighttime calls (from 1900 to 0700 hours): 62.50 MT per minute.

2. Rates for telex calls:

a) Urban: 34.00 MT per minute.

b) Suburban: 50.00 MT per minute.

c) Long distance: 100.00 MT per minute.

3. International service rates are available at the Marketing Division of Mozambique Telecommunications.

Maputo, 31 January 1987.

Postage Rates Increased by Mozambique Post Office

The National Commission on Wages and Prices has approved the following postage rates for surface and air mail to be effective 1 February 1987.

<u>Letters</u>	<u>Domestic mail</u>	<u>Bordering countries</u>	<u>Other</u>
Each 20 grams or fraction thereof	12.50 MT	25.00 MT	50.00 MT

Maputo, 31 January 1987.

Urban Mass Transit Fares

The National Commission on Wages and Prices has approved the following passenger fare on urban buses (excluding express service) to take effect in Maputo on 1 February 1987:

Single fare: 10.00 MT.

Maputo, 31 January 1987.

River, Maritime Passenger Fares, Freight Rates

The National Commission on Wages and Prices has approved the following passenger fares and freight rates for urban and interurban service to take effect on 1 February 1987:

A) Urban passenger and baggage service:

a) Urban

<u>Route</u>	<u>Passenger</u>	<u>Baggage</u>
Maputo-Catembe	17.00 MT	3.00 MT/kg
Maxixe-Nhambane	30.00 MT	6.00 MT/kg
Quelimane-Ricamba	30.00 MT	6.00 MT/kg
Marracuene-Macaneta	17.00 MT	3.00 MT/kg
Chinde-Mitaone	17.00 MT	3.00 MT/kg
Nacala-Nacala-a-Velha	30.00 MT	6.00 MT/kg
Macuse-Supinho	30.00 MT	6.00 MT/kg

b) Interurban:

Passenger/mile: 19.00 MT

Ton/mile: 51.00 MT

Maputo, 31 January 1987

Intercity Passenger Fares, Freight Rates

The National Commission on Wages and Prices has approved the following passenger fares and freight rates in the national transportation service to be effective on 1 February 1987:

Passengers

Urban: 1.80 MT per passenger/kilometer

Interurban: 1.50 MT per passenger/kilometer

Freight

1. Distances less than 30 km:

Up to 4.5 metric tons: 1,350 MT/hour
From 5 to 7.5 metric tons: 1,575.00 MT/hour
From 7.5 to 10 metric tons: 1,650.00 MT/hour
From 10 to 16 metric tons: 1,950.00 MT/hour
Over 16 metric tons: 2,550.00 MT/hour

2. Distances over 30 but less than 200 kilometers:

Rate: 21.00 MT per ton/kilometer

3. Distances over 200 kilometers:

Rate: 15.00 MT per ton/kilometer

Maputo, 31 January 1987

Railroad Fares

The National Commission on Wages and Prices has approved the following average third-class fare for national railroad service effective 1 February 1987:

Average fare per passenger/kilometer: 4.85 MT [meticals]

Maputo, 31 January 1987

Domestic Air Fares

1. The National Commission on Prices and Wages has approved the fares listed below for the transportation of passengers by air on LAM [Mozambique Airlines] domestic routes effective 1 February 1987:

<u>From</u>	<u>To</u>	<u>Fare</u>
Maputo	Beira	12,000.00 MT
	Tete	13,700.00 MT
	Quelimane	13,700.00 MT
	Nampula	18,000.00 MT
	Pemba	18,000.00 MT
	Lichinga	18,000.00 MT
Beira	Maputo	12,000.00 MT
	Tete	8,400.00 MT
	Quelimane	8,400.00 MT
	Nampula	10,600.00 MT
	Pemba	10,600.00 MT
	Lichinga	10,600.00 MT

Tete	Maputo	13,700.00 MT
	Beira	8,400.00 MT
	Quelimane	6,900.00 MT
	Nampula	6,900.00 MT
	Pemba	6,900.00 MT
	Lichinga	6,900.00 MT
Quelimane	Maputo	13,700.00 MT
	Beira	8,400.00 MT
	Tete	6,900.00 MT
	Nampula	6,900.00 MT
	Pemba	6,900.00 MT
	Lichinga	6,900.00 MT
Nampula	Maputo	18,000.00 MT
	Beira	10,600.00 MT
	Tete	6,900.00 MT
	Quelimane	6,900.00 MT
	Pemba	5,000.00 MT
	Lichinga	5,000.00 MT
Pemba	Maputo	18,000.00 MT
	Beira	10,600.00 MT
	Tete	6,900.00 MT
	Quelimane	6,900.00 MT
	Nampula	5,000.00 MT
	Lichinga	5,000.00 MT
Lichinga	Maputo	18,000.00 MT
	Beira	10,600.00 MT
	Tete	6,900.00 MT
	Quelimane	6,900.00 MT
	Nampula	5,000.00 MT
	Pemba	5,000.00 MT

2. Fares for international service and domestic freight and mail rates will be posted at LAM sales terminals and supplied by the LAM.

Maputo, 31 January 1987

New Tax Law

Resolution No 5/77 of the People's Assembly, dated 1 September, laid the basic groundwork for a new tax policy and a thoroughgoing reform of the tax system then in effect in the country.

The tax system established in 1978 embodied the principles of social justice contained in that resolution and also revealed its effectiveness by making it possible, in the economic conditions then prevailing, to concentrate growing funds in the state budget by halting the erosion in tax revenues that had been

underway since 1975 and also leading to more than a threefold increase in the state's current revenues during the 5 years that followed--through 1983.

That system was designed for a situation of normal development in the national economy and presupposed overall economic and financial equilibrium with relatively stable wage and price policies. But in this most recent period, it has revealed extreme weakness in a situation where the national economy is being seriously harmed by the war of criminal aggression being imposed on our people, the effects of that war having combined with those of the natural disasters which have struck the country over the past few years.

In a situation in which large profits, both legal and illegal, are accumulating within the economy, particularly in the commercial sector, the inadequacies of the current tax system are gradually revealing themselves. Being based primarily on the direct taxing of incomes, the current system is slow in reacting to changes in economic conditions and does not provide scope for significant action to correct the monetary and financial imbalances generated by those changes.

In these circumstances, it is urgent to reformulate the previously established tax policy so as to adapt the tax system to the special features of the economic and financial situation we must face.

A series of important measures having already been drawn up by the Council of Ministers for that purpose, it is now necessary to define the legal framework that will permit us to move forward with the publication and implementation of those measures.

The measures to be adopted depend upon:

- a) Bringing about a qualitative change in the current tax system by revitalizing and strengthening indirect taxes as an instrument that will make a more effective mobilization of funds possible while simultaneously acting as a corrective to the existing imbalances.
- b) Refining the system of direct income taxes so as to achieve greater efficiency in personalizing the tax and taxing the highest incomes, particularly capital incomes, more heavily and with greater effectiveness.

Among the changes to be introduced, the following deserve special mention:

- 1. State-owned enterprises will be subject to the general system of tax on profits.
- 2. A specific tax on activities by production and service cooperatives will be established.
- 3. A proportional tax on income from labor will be established, and that, in turn, will require a redefinition of the supplementary tax, which will be applied progressively to the total income of individuals.

4. In determining the amount of total income subject to the supplementary tax, income from labor will be treated differently than that from capital, with income from labor being taxed at a more favorable rate.
5. The national reconstruction tax will be reformulated so as to represent each citizen's required minimum contribution to the public treasury.
6. Remuneration received by government employees will be universally exempt from taxes. The state's employees will be subject only to the national reconstruction tax.
7. Regulations and mechanisms for collecting the distribution tax and the consumption tax will be improved, and those taxes will be revised.

Of the income taxes, it is the supplementary tax that will be most thoroughly restructured, since it is through that tax that we intend to implement the principle of tax justice represented by the progressive taxation of personal incomes.

On the other hand, the higher burden that must be borne by taxes on spending will have to be accompanied by a determined effort to reorganize the current distribution and marketing channels to make them more operative and put into actual practice the principle of linking the producer to the consumer, the purpose being to reduce the negative effects of this tax on the living standard of the citizens, particularly the workers with the lowest incomes.

In this phase, the government will also have to continue subsidizing a sizable number of staple products, that being another factor making it possible to reduce the negative impact of the tax.

The potentialities of this tax as an effective instrument for the channeling to the state of sizable funds which currently wind up in black market channels must also be taken better advantage of, specifically through selective use of the consumption tax.

Therefore, in accordance with the provisions of article 44, paragraph d) of the Constitution of the Republic, the People's Assembly enacts the following:

Article 1. The tax system in the People's Republic of Mozambique is a basic instrument for implementation of the state's financial policy and has the following as its basic objectives:

- a) The generation of revenues making it possible to defray the cost of the state's current activities and the operation of its institutions.
- b) The implementation of principles of social justice as reflected in the differentiated taxation of income from labor and from capital and in the personalization and progressive nature of taxes.
- c) The steering of consumption through differentiated consumption tax rates on certain products selected because they are scarce, harmful, or superfluous.

- d) A redistribution of national income through the state's social programs, particularly in the fields of education and health.
- e) The establishment and funneling of surpluses for the state budget that will make it possible to finance the state's direct investments.

Article 2. 1. To achieve the objectives mentioned in the preceding article, the tax system consists of direct and indirect taxes whose effect is felt at different levels, specifically:

- a) Direct taxation of incomes and wealth.
- b) Indirect taxation, including taxes on the citizens' spending levels.

2. Independently of any other taxes to which he may also be subject, each citizen is required to make a minimum contribution to public expenditures. That contribution is made through the national reconstruction tax.

Article 3. 1. The direct taxation of incomes in the People's Republic of Mozambique will be carried out through the following tax system:

- a) The industrial tax, levied on commercial and industrial profits.
- b) The tax on income from labor (section A), levied on remuneration for work performed for wages.
- c) The tax on income from labor (section B), levied on the production value or gross income of production and service cooperatives and on individual small and medium-sized undertakings in agriculture, forestry, or stockraising.
- d) The supplementary tax, levied on the total income of individuals and through which the principle of the progressive income tax is realized.

2. The following are exempt from any tax on income:

- a) The FRELIMO Party.
- b) The state and any of its departments, establishments, and organizations, even though personalized.
- c) The democratic mass organizations.
- d) The social welfare institutions.

3. State-owned enterprises are subject to the general system of taxation based on the results of their activity.

4. The Income Tax Code will also regulate the following:

- a) The establishment of other exemptions in addition to those set forth in paragraph 2, when such exemptions are justified by the public interest.

- b) The system of tax incentives associated with investment and the carrying out of new activities.
- c) The existence of special tax systems in cases where the nature of the activity in question makes such systems advisable.

Article 4. 1. The industrial tax is levied on the profit, actual or presumed, which results from the carrying out, even on a casual basis, of any activity of a commercial or industrial nature.

2. Profits earned abroad are subject to taxation under the provisions set forth in the Income Tax Code.

3. Enterprises with properly organized bookkeeping systems are taxed on the basis of their actual profits.

4. In cases where the tax must be based on presumed income, the Income Tax Code will regulate taxpayer representation on the income determination committees.

5. The rate of the industrial tax will be 50 percent, to which will be added a surtax of 55 percent to be applied to that portion of the profits earmarked for distribution to partners or for the drawing account of the firm's owners.

6. In the case of small-scale activities normally carried out with no fixed place of business or as a household industry or with no significant use of wage labor, the industrial tax may take the form of licensing based on a system of specific fees to be determined in accordance with tax regulations.

Article 5. 1. The tax on income from labor (section A) is levied at proportional rates on the remuneration received by workers employed by others and on income from the exercise of a professional activity.

2. The tax rate is 15 percent, but it is reduced to 6 percent on that portion of the basic monthly remuneration not exceeding 10,000.00 MT [meticals].

3. The following are exempt from this tax:

- a) Employees of the state and of any of its departments, establishments, and organizations, even those that are personalized.
- b) Employees of the FRELIMO Party and the democratic mass organizations.
- c) Taxpayers whose basic remuneration is less than 5,000.00 MT.

Article 6. 1. The tax on income from labor (section B) is levied on the value of production or gross income, whether actual or presumed, of the production and service cooperatives, including peasant cooperatives.

2. Individual undertakings in agriculture, forestry, or stockraising will be subject to this tax or to the industrial tax, depending on the size of their

operations and other conditions for carrying on their respective activity and in accordance with parameters to be established in the tax regulations.

3. The tax rates, which will be scaled from 1 percent to 30 percent, will be fixed by the provincial governments and will take into account the specific conditions of profitability associated with each activity, type of crop, and farming system, based on the location of the establishments or operations in question.

4. Permission is granted to establish reduced rates for the purpose of rewarding high levels of organization or providing incentive in the initial phase of establishment in the case of peasant cooperatives.

5. Tax regulations will also provide for the granting of temporary exemptions in cases of unfavorable weather situations or other crisis conditions.

Article 7. 1. The supplementary tax is levied on total individual income as constituted by the following:

- a) Income from labor.
- b) Income from commercial or industrial activity.
- c) Profit sharing and other income from the application of capital.

2. For the purposes of the supplementary tax, all income received by a family unit is regarded as having been received by the head of the household under the terms set forth in the tax regulations.

3. Income produced abroad is subject to tax when received by residents of the national territory.

4. The tax rates will be scaled from 5 percent to 70 percent.

5. A partial deduction of income from labor, within limits to be established by the Income Tax Code, is permitted as a means of implementing the principle that income from capital should be taxed more heavily.

6. The following are exempt from the supplementary tax:

- a) Remuneration received by employees of the state and any of the state's departments, establishments, and organizations, even though personalized.
- b) Remuneration received by employees of the FRELIMO Party and the democratic mass organizations.
- c) Income from activity subject to the tax on income from labor (section B).

Article 8. 1. The system of taxes on expenditures consists of the following:

- a) The distribution tax.

b) The consumption tax.

c) Other taxes and specific fees when justified by the special nature of a specific activity.

2. The distribution tax is levied on the value of all transactions carried out in the national territory by producers or merchants subject to registration under the Income Tax Code. The rates will range from 5 to 20 percent.

3. The consumption tax is a selective tax on the consumption of certain goods included on specific schedules to be approved by the Council of Ministers. It is a one-time levy on the producer or merchant as the case may be.

4. Consumption tax rates will be established by the Council of Ministers and will vary depending on the nature of the products being taxed.

5. The taxes and fees referred to in paragraph 1, subparagraph c) will be regulated in accordance with the applicable legislation.

Article 9. 1. The national reconstruction tax represents each citizen's minimum contribution to public expenditures and is levied at specific rates on all persons residing in the national territory, including foreigners, when their circumstances with respect to age, occupation, fitness for work, and other factors listed in the respective code have been ascertained.

2. The rates of this tax will be established each year by the minister of finance on the recommendation of the provincial governments and will differ so as to allow for varying degrees of development and the socioeconomic conditions prevailing in each district or region.

3. The following are exempt from the national reconstruction tax:

a) Those incapable of working.

b) Citizens performing their compulsory military service.

c) Peasant women and housewives.

d) Students who meet the requirements with respect to age and scholastic achievement and other requirements set forth in the respective code.

e) Other cases expressly mentioned in the tax regulations.

Article 10. 1. The Council of Ministers is empowered to approve or revise the tax codes anticipated in this law and to determine their effective dates.

2. Other taxes and fees currently in effect under the terms of regulations now in force will remain in effect to the extent that they do not conflict with the provisions of this law.

3. The Council of Ministers is entitled to revise the regulations governing the taxes and fees referred to in the preceding paragraph so as to bring them into conformity with the objectives of this law and the priorities of the national economic plan.

4. It is the responsibility of the Council of Ministers to revise and update the customs tariffs, the stamp tax regulations and related schedule, and other schedules of charges, fees, license fees, and all other revenues of the same nature which are currently in effect.

5. The Council of Ministers will also issue regulations governing the authority of local organs of the state to establish and revise any fees and licenses.

Article 11. The effects of this law are retroactive to 1 January 1987.

Approved by the People's Assembly.

The chairman of the People's Assembly: Marcelino dos Santos

Let it be published.

The president of the republic: Joaquim Alberto Chissano

Billings in Foreign Currencies (Ministerial Order No 17/87)

Services provided in the country's various economic and social sectors are paid for in the form of fees and charges.

Since it has become necessary, based on the experience gained in billing the international organizations and institutions utilizing those services, to adopt a simpler mechanism making it possible to bill for those services in freely convertible currency, I order the following:

Article 1. The billing for services rendered to international organizations and institutions will be expressed in freely convertible currency.

Article 2. To ensure flexibility in this billing, taking into account the rules of the international market, the supervising ministers or secretaries of state will approve, on the recommendation of the organizations and enterprises under their supervision, the schedules of fees and charges applicable to their respective sectors.

Article 3. This order becomes effective on 22 January 1987.

Minister of finance: Abdul Magid Osman

Special Tax on Revalued Inventories, Current Transactions

Decree No [not stated] dated 22 January orders the establishment of mechanisms for taxing the increased values occurring in inventories or reflected in current transactions as a result of exceptional circumstances, specifically when due to a significant change in monetary parity.

Considering that the circumstances anticipated in the above-mentioned decree now exist;

The minister of finance, exercising the powers granted to him by article 6, paragraph 3 of the said decree, orders the following:

1. Enterprises which normally engage in the export trade must submit, within 8 days of the date of this order, reports listing transactions currently in progress and products in inventory as of that same date, all properly described as to kind or type of product and with the respective quantities, unit prices, and values shown for each.
2. In pricing the inventories referred to in the preceding paragraph, the unit price to be considered will be expressed in U.S. dollars and will be the higher of the following values:
 - a) The FOB price used for the most recent export of a similar product.
 - b) The average of all FOB prices charged during 1986.
3. In the case of transactions currently in progress at a price which has already been negotiated, the corresponding value in U.S. dollars will be used.
4. Production enterprises will also submit, within the period specified in paragraph 1, reports listing the quantity and value of each product in inventory at the close of business on 30 January 1987, provided that the said quantity exceeds the average monthly sales of that product during 1986.
5. Technical assistance enterprises will submit similar reports listing their inventories of parts, spares, and other materials on hand at the end of that same date.
6. The amount of additional value subject to the special levy referred to in article 6 of the above-mentioned Decree No [not stated] will be determined:
 - a) In the case of enterprises referred to in paragraph 1, by the difference in meticals between the value of reported inventories or transactions in progress, calculated at the rate of exchange as of 30 January, and the new value resulting from application of the rate of exchange in effect on the next working day.
 - b) In all other cases, by the application of specific rules that will be established in due time when justified by subsequent price behavior.

7. Payment of this tax will be at the rate of 50 percent as stipulated in article 133, paragraph 1, subparagraph a) of the Income Tax Code as approved by the decree of 22 January.

8. The special tax referred to in the preceding paragraphs is owed by all enterprises covered by this order, including those exempt from the industrial tax or subject to a special tax system as provided by article 6, paragraph 2 of the decree.

9. The reports referred to in paragraphs 1, 4, and 5 will be submitted to the finance department of the tax area in which the particular enterprise is located or of the administrative center for the taxpayer's area, depending on which department the taxpayer reports to for purposes of the industrial tax.

10. Forms will be processed in preparation for payment of the tax shown to be due under the terms of this order. Payment must be made:

a) In the case of the enterprises mentioned in paragraph 1, within 30 days following the first ensuing export.

b) In all other cases, within whatever period is stipulated in supplementary regulations.

11. If the tax is not paid within the periods indicated in the preceding paragraph, the amount due will immediately be declared delinquent and collected by judicial process.

12. It is the responsibility of the national director superintending the area of tax administration to recommend exceptional procedures in cases where it is shown, on the basis of substantiated evidence submitted by those concerned, that the conditions for selling inventories justify an extension of the deadlines set forth in paragraph 10.

13. Questions that arise concerning the implementation of this order will be resolved by a ruling from the national director superintending the area of tax administration, who will select cases for referral to a higher authority.

Ministry of Finance, in Maputo, 30 January 1987
The minister of finance: Abdul Magid Osman

Drinking Water Rates (Ministerial Order No 1/87)

The national system of drinking water rates was established by Ministerial Order No 71/84 dated 14 November. In view of changes in the situation, and as part of the current economic recovery measures, those rates must be increased, but the principles called for in the above-mentioned order will be maintained.

Therefore, the National Commission on Wages and Prices having been heard, and in accordance with article 4 of Decree No 10/82 dated 28 July, I order the following:

Article 1. The average nationwide price of drinking water is changed to 52.50 MT per cubic meter.

Article 2. "Domestic rates" are set as follows:

- a) Consumption of up to 10 cubic meters per month: 100.00 MT.
- b) Consumption in excess of 10 cubic meters but less than 20 cubic meters per month: 40.00 MT per cubic meter.
- c) Consumption in excess of 20 cubic meters but less than 30 cubic meters per month: 60.00 MT per cubic meter.
- d) Consumption in excess of 30 cubic meters but less than 45 cubic meters per month: 90.00 MT per cubic meter.
- e) Consumption in excess of 45 cubic meters per month: 120.00 MT per cubic meter.

Article 3. The "general rates" for industrial, commercial, and public users are set as follows:

- a) Consumption of up to 50 cubic meters per month: 2,200.00 MT.
- b) Consumption in excess of 50 cubic meters per month: 44.00 MT per cubic meter.

Article 4. The following rates are established for water meter rentals:

- a) "Domestic rate" water meters: 100.00 MT per month.
- b) "General rate" water meters: 500.00 MT per month.

Article 5. The provisions of articles 5 and 6 of Ministerial Order No 71/84 dated 14 November remain in effect.

Article 6. This order becomes effective on 1 February 1987.

Maputo, 30 January 1987
Minister of construction and water
Julio Eduardo Zamith Carrilho

Prepaid Industrial Tax, Specific Fee Increases

The measures for economic and financial adjustment which were included in the recently approved Economic Recovery Program and which have already been announced will have a direct impact as far as export enterprises and a number of other commercial and industrial enterprises are concerned, the reason being that compared to 1986, those enterprises are going to show significantly better results as early as 1987.

Under normal conditions, such improved results would not be reflected in the state's tax receipts until the end of 1988.

It therefore becomes necessary to adopt exceptional measures which will ensure collection in advance of the temporary industrial tax due for 1987, making it an instrument for overcoming the obvious drawbacks of the lag in the normal timetable for collection and enabling us to channel the tax into the state's coffers in a timely manner.

The significant increase in inventory values which may occur in some sectors, particularly in the case of goods intended for export, also justifies provision for a specific tax instrument.

Also necessary is a decision to update a rather vast range of specific fees covered by current legislation. Those fees, unlike ad valorem fees, do not respond automatically to changes in the general price level, and many of them have not been updated since the colonial period.

Therefore, acting under the provisions of article 10, paragraphs 1 and 4 of Law No 3/87 dated 19 January, the Council of Ministers orders the following:

Article 1. Assessment and collection of the temporary tax provided for in article 138 of the Income Tax Code, said tax being owed on operating results for fiscal 1987, will be carried out on an exceptional basis in accordance with the following articles.

Article 2. 1. Export sales made during 1987 are subject to a tax amounting to 20 percent of the value of such sales. The said tax will be paid by the exporting enterprise as an advance payment on the temporary industrial tax it will owe for that same fiscal period.

2. Assessment and collection of the tax referred to in the preceding paragraph will be effected at the time of clearance by the customs station handling the shipment.

Article 3. 1. Enterprises included in group A for purposes of the industrial tax and having a business volume exceeding 25,000 contos in 1986 must prepay the temporary tax due for fiscal 1987. In this case only, the tax will be determined on the basis of a financial plan which must be submitted to the Ministry of Finance by 31 March 1987.

2. The temporary tax to be assessed under the terms of this article will be levied on 75 percent of the profit estimated by the Ministry of Finance on the basis of the financial plan submitted. Payment must be effected through the issuance of collection notices in eight equal and successive monthly installments, with the first installment falling due in May 1987.

3. In the case of enterprises also subject to the tax created in article 2, the amount of each installment will be reduced by the sums paid as part of the same tax by the due date for that particular installment, to the extent that they have not already been deducted from previous installments.

4. In case of failure to pay any installment during the month in which it falls due, the amount due will immediately be declared delinquent and will be collected by judicial process.

Article 4. The minister of finance is authorized to advance the normal dates for assessing and collecting the temporary tax due from any enterprise not covered by the provisions of the preceding article if the economic indicators for the first 6 months of 1987 make it advisable to do so, in which case he will issue regulations concerning the incidence of the tax.

Article 5. The tax amounts collected in accordance with the provisions of the preceding articles will be deducted when final payment of the industrial tax on operating results for fiscal 1987 is made.

Article 6. 1. Enterprises normally engaged in the export trade, production enterprises whose circumstances fulfill the requirements set forth in the ministerial order referred to in paragraph 3 below, and technical assistance enterprises are subject in 1987 to a special assessment of the industrial tax on excessive profits due to increased inventory values or arising out of current transactions, provided that significant changes (in excess of 50 percent) have occurred in the corresponding prices as expressed in the national currency or some other measure of value.

2. The levy referred to in the preceding paragraph will apply to all enterprises engaging in activity of a commercial or industrial nature in the national territory, including those exempt from the industrial tax on normal profits from such activity and those subject to special tax systems.

3. The minister of finance will issue an order regulating the incidence, settlement, and collection of the special tax provided for in this article.

4. The income forming the basis for the special tax referred to in the preceding articles will be deducted when annual taxable income is being determined for the purpose of assessing the normal industrial tax in cases where the latter is due.

5. Omissions or inaccuracies in any of the reports relative to inventories or current transactions and required to be filed by the regulations provided for in paragraph 3 will be punished by a fine equal to five times the updated value of the concealed merchandise or materials.

Article 7. 1. All specific duties and fees listed in the customs tariffs, the stamp tax regulations and related schedule, and all other schedules of fees, charges, license fees, and other revenue of the same nature currently in effect, including those listed in ordinances of the state's local organs, are increased to five times their current levels.

2. The provisions of the preceding article do not apply to cases covered by the consumption tax on beer and processed tobacco. Those items will be dealt with in a specific ruling by the minister of finance.

3. The minister of finance will determine any possible exceptions to or reductions in the increase stipulated in paragraph 1.

Article 8. Questions which may arise in connection with the implementation of this order will be resolved by a ruling from the minister of finance.

Article 9. This order becomes effective immediately.

Approved by the Council of Ministers.

Let it be published.

The prime minister: Mario Fernandes da Graca Machungo

Retirement, Disability Pensions

In the context of implementation of the measures for economic and financial adjustment that were included in the recently approved Economic Recovery Program, it is urgently necessary to establish rules to be observed in updating a vast range of pensions, specifically those payable by the national insurance company and retirement and industrial accident pensions in general.

Therefore, exercising the powers conferred on me by an internal resolution of the Council of Ministers on this date, I order the following:

Article 1. Insurance pensions currently being paid under life and industrial accident policies by the Mozambican Insurance Enterprise (EMOSE) will be increased by the same amount as the increases stipulated for state pensioners, as follows:

- a) Pensions that took effect more than 10 years ago will be increased by 100 percent, with the monthly minimum to be 1,000.00 MT.
- b) In all other cases, they will be increased by 50 percent, also with a monthly minimum of 1,000.00 MT.

Article 2. The same increases as those stipulated in the preceding article will also apply to the following:

- a) Pensions granted by the Mozambique Mutual Pension Society.
- b) Retirement, disability, and industrial accident pensions whose cost is now being borne directly by the employing organization, which will also bear the cost of the updated amount.
- c) Pensions whose cost is being borne by the state under the terms of signed agreements but which are a charge to a foreign government or organization.

Article 3. The increases stipulated in the preceding articles will be effective with pensions owed for January 1987 and succeeding months.

Article 4. This order takes effect immediately.

Ministry of Finance, in Maputo, 30 January 1987. The minister of finance:
Abdul Magid Osman

National Reconstruction Tax Rates for 1987

Considering that it is necessary to establish the rates of the national reconstruction tax for 1987;

Considering also the need to regulate the application of those receipts in accordance with the provisions of article 45 of the National Reconstruction Tax Code as approved by Decree No [not stated] dated 30 January;

Exercising the powers conferred by article 6 of the National Reconstruction Tax Code and by article 12 of Law No 2/87 dated 19 January, the minister of finance orders the following:

1. The national reconstruction tax rates to be in effect during 1987 are:

City of Maputo: 1,500.00 MT.

Provinces of Maputo, Gaza, and Inhambane: 1,500.00 MT.

City of Beira: 1,500.00 MT.

Provinces of Sofala (except the City of Beira), Manica, Zambezia, Nampula, Niassa, Tete, and Cabo Delgado: 1,000.00 MT.

2. The yield from collection of the tax will be distributed as follows:

a) Consigned to the district budgets: 25 percent.

b) Included in the provincial budget: 70 percent.

c) Used to compensate the officials or agents who participate in registering taxpayers and assessing the tax: 5 percent.

3. In each province, the distribution stipulated in subparagraph c) of the preceding paragraph will be determined by rules recommended by the provincial government concerned in a prior proposal which it will submit to the Ministry of Finance.

4. Those taxpayers subject to the provisions of section C of the national reconstruction tax, now repealed, who present themselves to pay the tax in arrears will be required to pay the rates stipulated for that situation by Ministerial Order No 44/85 dated 18 September.

Ministry of Finance, in Maputo, 30 January 1987. The minister of finance:
Abdul Magid Osman

Flat Rate Industrial Taxes for 1987

Considering the need to set fees for group C of the industrial tax, and exercising the power conferred on me by article 136 of the Income Tax Code as approved by Decree No [not stated] dated 22 January, I order the following:

Article 1. 1. Approval is given to the schedule of minimum rates to be applied in 1987 to taxpayers included in group C of the industrial tax.

2. The actual rates to be in effect during that same fiscal period will be established by the respective provincial governors by 28 February of this year, provided, that the said rates must not exceed the rates in the appended schedule by more than 100 percent.

Article 2. This order takes effect immediately.

Ministry of Finance, in Maputo, 30 January 1987. The minister of finance:
Abdul Magid Osman

Schedule of Specific Fees Authorized by Article 95, Subparagraph c) of the Income Tax Code

Occupation	Maputo, Sofala	Zambezia, Nampula	All other
Tailor without material	120	80	60
Unspecified skilled worker	20	10	10
Barber	60	40	30
Sheet metal worker	150	100	80
Cake maker or confectioner	60	40	30
Hairdresser	120	80	60
Plumber	80	40	40
Carpenter or cabinetmaker	250	150	80
Basket or mat maker	20	10	10
Seamstress or dressmaker without material	200	140	100
Automobile electrician	120	80	60
Civil construction electrician	40	30	20
Upholsterer	150	100	80
Wood craftsman	20	10	10
Ivory craftsman	40	20	20
Unspecified craftsman	20	10	10
Photographer with studio	75	40	30
Photographer without studio	30	20	10
Tinsmith	80	50	40
Gardener	20	10	10
Laundryman	20	10	10
Vehicle washer and polisher	75	40	30
Automobile mechanic	200	140	100
Motorcycle mechanic	80	50	40
Mason	80	50	40
Small-scale fisherman	40	30	20
Building painter or whitewasher	120	80	60

Schedule of Specific Fees Authorized by Article 95,
Subparagraph c) of the Income Tax Code (continued)

<u>Occupation</u>	Maputo,	Zambezia,	<u>All other</u>
	<u>Sofala</u>	<u>Nampula</u>	
Automobile painter	100	140	100
Electric/electronic repairman	200	140	100
Watchmaker	60	40	30
Shoemaker	60	40	30
Locksmith	200	140	100
Other craftsmen	20	10	10

Rates for Prepayment of Industrial Tax

As part of the measures for economic and financial adjustment, Decree No [not stated] dated 22 January 1987 provides for exceptional steps that will ensure collection in advance of the temporary industrial tax for fiscal 1987.

In that context, notice is given of the following:

1. Export sales made during 1987 are subject to a levy of 20 percent of their value, the said amount to be paid as an advance on the temporary industrial tax due for that fiscal period. Settlement and collection of the levy will be effected by the appropriate customs station at the time of shipment.
2. Enterprises classified as group A for purposes of the industrial tax, with a sales volume exceeding 25,000 contos in 1986, are required to prepay the temporary tax owed for fiscal 1987. For that purpose, those enterprises must submit a financial plan for the current year to the finance department in their respective tax area by 31 March 1987. That financial plan must include the detail normally shown in the enterprise's operating accounts or the minimum data essential for determining its foreseeable operating results.

Maputo, 30 January 1987

National director
 Ibraimo A.C.I. Ibraimo

Electricity Rates

By a decision of the Council of Ministers in its Decree No [not stated] dated 30 January, the rates in the electric energy tariff schedule now in effect in the country have been changed.

Those changes apply to electric energy consumed on and after 1 February 1987 and are the same throughout the country.

Shown below are the tables with the new tariff schedules of demand and energy charges.

1. Low-voltage demand and energy charges:

Size of appropriate meter (Amperes)	Available power (kVA)	Maximum monthly consumption (kWh)	Monthly demand charge
1x2, 5A-1x3A-1x5A	To 1.1 kVA	10 kWh*	200.00 MT
1x5A and 1x10A	To 2.2 kVA	300 kWh	300.00 MT
1x15A and 3x5A	To 3.3 kVA	600 kWh	375.00 MT
3x7.5 and 3x10A	To 6.6 kVA	1,300 kWh	500.00 MT
3x15A	To 9.9 kVA	1,900 kWh	750.00 MT
3x20A	To 13.2 kVA	2,600 kWh	1,000.00 MT
3x25A and 3x30A	To 19.8 kVA	3,900 kWh	1,500.00 MT
3x40A and 3x50A	To 33.0 kVA	-)
3x60A	To 39.6 kVA	-) 100.00 MT per kVA
3x75A	To 49.5 kVA	-) or
3x100A	To 66.0 kVA	-) 125.00 MT per kW

1.1 General tariff: 18.00 MT per kWh.

1.2 Domestic tariff: 7.60 MT per kWh.

* The minimum charge of 200.00 MT applies solely and exclusively to dwellings.

2. Medium-voltage demand and energy charges:

(Voltages ≤ 66 kV or demand $\leq 2,000$ kW)

Demand charge = peak (kW x 350.00 MT)

2.1 Single tariff: 8.50 MT per kWh.

3. High-voltage demand and energy charges:

(Voltages > 66 kV or demand $> 2,000$ kW)

Demand charge = peak (kW x 300.00 MT)

3.1 Single tariff: 8.50 MT per kWh.

Foreign Exchange Rates (Bank of Mozambique Communiqué No 01/87)

In keeping with the powers conferred on it as the organization for guiding and regulating banking activity, the Bank of Mozambique is responsible for ensuring the internal and external stability of the currency in the context of the national economic and financial policy.

Considering, therefore, that the need exists to adjust the parity of the metical with respect to the various convertible currencies, the Bank of Mozambique, acting in harmony with higher directives from the Council of Ministers and in accordance with the provisions of article 36 of its organic law as approved by Decree No 2/75 dated 17 May, orders and makes known the following:

I. In conformity with the Exchange Bulletin appended to this communique, the rate of exchange between the metical and the various convertible currencies is altered, with the new rates taking effect on 31 January 1987.

II. The value of the metical in relation to the various convertible currencies will be announced through regular publication of the Exchange Bulletin of the Bank of Mozambique.

Maputo, 30 January 1987

The governor of the Bank of Mozambique
Eneas da Conceicao Comiche

Explanatory Note

Exercising the powers conferred by its organic law, the Bank of Mozambique wishes to inform and enlighten the public in general concerning implementation of the metical's new rate of exchange in relation to convertible currencies. As announced previously, the change from the old rate of exchange was made in accordance with higher directives from the Council of Ministers. Therefore:

I. The Bank of Mozambique will continue to provide the public regularly with the Exchange Bulletin, which contains quotations for the metical in relation to convertible currencies.

II. The aforesaid Exchange Bulletin will list only two quotations (that is, the buying rate and the selling rate), which must be used both for exchange operations concerned with buying and selling foreign exchange in connection with exports, imports, and financial operations and for those concerned with the buying and selling of travelers' checks and banknotes in foreign currency.

The four quotations for buying and selling with respect to banknotes and foreign exchange will no longer be published, as they were previously.

The bank fee charged for foreign exchange operations of any kind will be collected separately and will no longer be deducted from the exchange rate.

III. Concerning application of the new rates to payments in connection with operations involving exports and imports, loans and foreign financing, and all other operations being processed through the Bank of Mozambique, questions as to the foreign exchange aspect should be directed to the bank. For that purpose, the directorates of exports, imports, and invisible items of trade will post explanatory notices concerning matters pertinent to their respective areas of responsibility and will also provide personnel to serve the public.

IV. Certificate of Conversion

Certificates on which a balance remains must be presented to the Directorate of Invisible Items of Trade at the Bank of Mozambique for correction of the said balance to reflect the new rate of exchange.

V. In cases of doubt, including situations not provided for in the preceding paragraphs, those concerned must apply to the Bank of Mozambique's Office of Foreign Exchange Planning and Management for the necessary clarifications.

Maputo, 30 January 1987

Foreign Exchange Rates To Be Applied by the
Bank of Mozambique per Unit of Foreign Currency

Bulletin of Exchange Rates To Be in Effect
on 31 January 1987 and 1 and 2 February 1987

<u>Country</u>	<u>Currency</u>	<u>Rate of exchange</u>	
		<u>Buying</u>	<u>Selling</u>
South Africa	Rand	97.6600	99.6132
FRG	Deutsche mark	110.6195	112.8319
Austria	Schilling	15.7048	16.4900
Belgium	Franc	5.2562	5.3614
Canada	Dollar	149.2900	152.2248
Denmark	Krone	29.2398	29.8246
Spain	Peseta	1.5540	1.5851
United States	Dollar	200.0000	204.0000
Finland	Markka	44.1501	45.0331
France	Franc	33.1950	33.8589
Holland	Guilder	98.0392	100.0000
Great Britain	Pound	305.6000	311.7120
Italy	Lira	0.1555	0.1586
Japan	Yen	1.3098	1.3360
Malawi	Kwacha	106.8800	109.0176
Norway	Krone	28.6328	29.2054
Portugal	Escudo	1.4409	1.4697
Sweden	Krona	30.8523	31.4693
Switzerland	Franc	131.5790	134.2105
Zambia	Kwacha	13.7881	14.0639
Zimbabwe	Dollar	122.6800	125.1336

Other information:

1. Prime rate--New York: 7.50 percent.
2. Six-month LIBOR (London Interbank Offered Rate): 6 1/4 percent.
3. Gold (U.S. dollars per ounce): buy: \$411.25; sell: \$411.75.

Maputo, 30 January 1987
[signature illegible]

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CSO: 3442/90

FINANCE MINISTER EXPLAINS IMPORTANCE OF NEW TAXES

Maputo NOTICIAS in Portuguese 12 Feb 87 p 3

[Text of interview with Finance Minister Abdul Magid Asman, by NOTICIAS, date and place not given]

[Text] Finance Minister Abdul Magid Osman granted an interview to NOTICIAS in which he responded to various questions raised by the new tax system, the principles of which were approved in the First Session of the People's Assembly. The questions focus mainly on the impact of the new tax burden on the economy of the companies and on the economy of the nation as a whole. We call the following interview to the special attention of our readers.

NOTICIAS: Mr Minister, the new tax system emerges as part of the Economic Recovery Program [PRE], yet it would seem to penalize the workers who are directly engaged in production, to the benefit of the civil servants, a social group which is not directly involved in production. How do you explain this?

Abdul Magid Osman: First, I should explain that the new tax system is not as new as the name would indicate. Some changes have been made, but this tax, from which civil servants are exempt, was already in existence; it has just been simplified for greater efficiency. Regarding the exemption for civil servants, it is because the latter cannot share in the distribution of profits, as occurs in the companies. It is a form of compensation, to protect the state apparatus from an exodus of its most qualified employees in search of better conditions. So it cannot be said that the workers who are directly engaged in production are not treated as well as civil servants.

Advantages for State Companies

NOTICIAS: The state companies will be subject to the general system of taxing profits, in the new fiscal system. Doesn't this put the state companies at a disadvantage, i.e., make them less profitable than private companies?

Osman: No, this is not the case. In the first place, when it is said that the state companies will be subject to the industrial tax contribution, they would have to show a profit, which, in most cases, is not happening today and, up to now, when state companies have shown a profit, the state was right there to carry it off. With the new tax system, this will no longer be the case and

the state companies should have the same opportunities as private companies, even with regard to profit sharing by their employees.

The major problem with the state companies is not one of taxation, but of efficient management. Unfortunately, in the last decade, which is when the state companies became very powerful, in many cases the need for rational spending and proper management of their resources was ignored. In other cases, the state companies existed only on paper. So it is not surprising that most of them were not showing a profit. Up to now, the only concern of the state companies has been to meet their physical quotas, with no thought to keeping production costs down.

For example, in the state agricultural sector, we note that almost no state company pays an industrial tax, which means that these companies are not showing a profit, whereas private companies in the same sector are profitable.

Turning now to your question, it will be seen that state companies are benefited more than private companies. Let us take an example.

A state company which shows a profit of 10,000 contos at the end of the year will pay 5,000 contos in industrial taxes and will keep the rest to distribute to the employees and management and for investment. In the case of a private company which shows this same 10,000 contos in profits, the state will take the same 5,000 contos in industrial taxes and, if profits are distributed to the shareholders, it will also apply a 50-percent tax on the part of the profits which are distributed. Moreover, the shareholders will also pay a complementary tax on this income. Thus it is seen that the tax burden is greater for the private sector than the state sector.

Precisely, the new system will enable state companies to create their own investment capital, which was previously impossible, since all investments were made through the state budget. The intent is that the state company will be a completely autonomous entity, with major responsibility for its own investments.

It happens that we will have to exempt the state companies from paying taxes on the profits that are reinvested. We are going to see if it is possible to create a new statute for the state companies this year.

Investment Encouraged

NOTICIAS: Won't the new surtaxes stifle economic activity and discourage investment, contrary to the goals of the PRE?

Osman: With regard to investment, it is necessary to talk about various types of investment. If you are talking about private investment, domestic or foreign, the law already grants a series of exemptions. Investment will not be stifled; on the contrary, a whole series of measures have been taken to encourage investment. But the fact is that, at this time, it is the state itself which is doing most of the investing. If we examine the investments made over a year, we will find that most of them are financed by the state

budget. So, in this regard, the surtaxes will not stifle investment but, on the contrary, create greater capacity for investment by the state.

As for stifling economic activity, this will not happen. It is hoped that, gradually, the non-official market economy will be absorbed in the official market economy, which will give the state greater control over the economy.

Today, the tax burden falls on the official market and the non-official market escapes taxation of any kind. This is basically because there is a large difference between prices on the official market and on the non-official market. As long as this difference exists, it will be very difficult for the state to take action against the non-official market.

Although there has been no study on this, the feeling is that the non-official market does more business than the official market in terms of value. In terms of physical volume, the official market does more business, but because the price difference is very large, the non-official market carries more weight. This means that very large transactions are conducted on the non-official market. One example is the market for automobiles; we know that cars are sold for many thousands of contos on the black market. This is a fact which must be recognized and regarding which we must take action.

Non-Official Market

NOTICIAS: But how is the state going to take action? Will the new tax system help to level out the prices on the official and non-official markets?

Osman: Not just the tax system. This is something which the tax system cannot do by itself. The tax system will contribute, through indirect taxes. Indirect taxes are sales taxes. And this means that an important percentage of the final price to the consumer will represent taxes. We can say that this is the only contribution which the taxes will make in regulating the market. However, the state has other means of regulating the market.

PRE Against Speculation

NOTICIAS: It is known that a large amount of capital has been accumulated by illegal merchants, on whose profits the Finance Ministry has no control whatever. Will the state have the means to monitor and tax these profits? On the other hand, in that case, wouldn't this be a kind of de facto legalization of such illegal transactions?

Osman: It is extremely difficult for the state to tax illegal profits. It is also true that, if illegal profits were taxed, they would take on a quasi-legal nature. For some activities, the state may also presume that this or that activity, by its nature, is earning more than a normal profit. The state could then determine that these individuals must pay more taxes. This is happening with regard to many truckers. It is already customary for the Finance Ministry to tax their profits "abnormally," assuming that, by the fact that they are using the "Chapa 100" [truck license plates], these people are taking in colossal profits. However, although it is possible to tax the truckers, it is

impossible to do this with regard to other activities. The tax system which has been introduced now is an attempt to make some corrections, defining the minimum taxes for some professions, in the knowledge that they bring in a large income: for example, dressmakers, hairdressers, individuals who are turning out candy and cakes in their homes, and so on.

But most of this activity, which is commercial activity, escapes taxation. Under the present conditions, it is impossible for us to monitor this commercial activity.

Therefore, in answer to your question, the state does not have the means to tax the profits resulting from illegal activities. But this does not mean that the PRE does not provide for measures to prevent these profits from continuing to be accumulated, creating a very serious situation for the nation's economy. There are measures which the state can take and it is going to take them.

Revenue Agency

NOTICIAS: Is the Finance Ministry apparatus prepared to handle the demands of the new tax system? If not, what measures are being taken to this end?

Osman: This is a somewhat complicated question. To answer it, perhaps I should explain the responsibilities of the Finance Ministry apparatus. The fiscal apparatus is only one part of the Finance Ministry apparatus. I would even say that it represents only 25 percent of it. In addition, the Finance Ministry apparatus must examine all the public expenditures of the state, as contained in the budget, to ascertain the rationale for the expenditures in the state budget. The Finance Ministry apparatus must also supervise all the state companies. It is also up to the Finance Ministry to see to the whole area of exchange reserves in the country.

The question is whether the Finance Ministry apparatus is equipped to handle all the activities which I have mentioned. The answer is: it is fairly well equipped, but not as well as would be desired. The part of the apparatus which deals with the tax system is perhaps the best equipped to meet the new needs. Fortunately, the tax collection system has not been much affected by the "upheaval" in the state apparatus. The system continued to exist, the Finance Ministry's tax collection departments continue to function. People have established a certain custom, a certain routine, of paying their taxes.

I would repeat here that the new tax system is not as new as the name implies. There is a certain tradition of paying taxes, and it cannot be said that there is any big change in the tax collection system already in existence.

Stricter Requirements

A seminar is now in progress, which began today, to aid all the department chiefs in adapting to this new tax system. All this does not make it any less true that there is a great shortage of qualified cadres who could impose a new dynamic, new efficiency, on the tax system.

I will give you an example. In the city of Chimoio, there is a textile factory, Textafrica, which should pay a merchandise tax, but since the cloth it produces will be used to make clothing, it does not pay this tax. The chief of the Finance Department in Chimoio should be able to think and act on his own, to check out what Textafrica says it has sent to the clothing factory and ascertain if this quantity really corresponds to the amount of clothing actually produced. This is the kind of complicated situation we are dealing with.

The audit of the companies should make it possible, on investigation of one case, to detect a whole series of cases. This calls for the kind of capacity which we do not always have. This does not mean to say that, in cases of flagrant violations, the Finance Ministry is incapable of taking action.

We think that better enforcement begins with more rigorous standards, and this must begin at the top. People attend training courses, but, in my opinion, the most important training is on the job. The more exacting the demands, the better trained our personnel will be. I am convinced that if the chief of a section is not demanding, the workers in his section will not grow. So we must set stricter requirements, so that people will be more motivated and will know that they are being regularly evaluated.

In addition, and with the collaboration of the United Nations, the Finance Ministry is planning to conduct various programs to improve our technical capacity. Our training programs also provide for improving the general knowledge of the Finance Ministry employees, so they will have a more general understanding of the problems and of the work they are performing.

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CS0: 3442/99

MOZAMBIQUE

INFULENE VALLEY PROJECT TO BENEFIT SMALL FARMERS

Maputo NOTICIAS in Portuguese 13 Feb 87 p 2

[Text] The Infulene Valley Utilization Project, in Maputo Province, is already in progress. Financed by the Italian Foreign Affairs Ministry, the project is being administered by Cooptechnical [Technical Cooperation Agency], we learned recently from Luciano Sambane, director of the Office of Green Zones, who also spoke of the importance which the project will have in terms of labor saving for the family farmers.

The 3-year project provides for utilization of the water resources in the Infulene Valley area, through a restructuring of the sanitation system, which consists in depolluting the water course which crosses the valley.

Livestock and farm mechanization are also contemplated in the project. According to the director of green zones, this [latter] will result in greater productivity, by freeing the peasants for other essential activities, such as cultivating and harvesting.

Regarding livestock, the support consists in veterinary assistance and services for the animals. It was reported that the technical assistance will be provided by an Italian specialist in animal husbandry, who will recommend a diet for the livestock, taking into consideration the shortage of animal feed on the domestic market.

The project also calls for the promotion of peasant associations and cooperatives. Luciano Sambane sees this aspect as extremely important, inasmuch as it opens the doors for real rural collectivization.

In real terms, he said, the promotion of peasant associations and cooperatives, although they will be relatively independent financially, will enable our government to centralize and prioritize support to the agricultural sector.

The principal areas of action for the program are concentrated in urban districts 5 and 8. According to the director of green zones, however, this project is supplementary to similar efforts to bring about self-sufficiency in vegetables and other products throughout the area which constitutes the green belt of the city of Maputo.

To date, the program has already furnished six cultivators and a medium-tonnage truck to each of the two district associations. Moreover, two tractors and four minitractors have been made available to the private sector, for hire by the hour.

The director of green zones also reported that, in Urban District No 5, six small peasant associations have benefited from equipment made available through the program.

Green Zones

"The green zones are an important factor in the economic battle being waged now," said Luciano Sambane, who also spoke of the impact that the project has on our country's Economic Recovery Program [PRE].

He noted that, as recognized in the PRE, it was extremely important to support the family sector, providing it with more advanced technical means so it can bring up productivity enough to create a surplus. This surplus should be channeled to the urban zones. This way, Sambane said, we will develop a spirit of reliance on our own efforts in the battle against hunger.

The official said that the Office of Green Zones has defined three basic fronts for action: the family sector; more grain crops; and reforestation, ensuring that, for each tree cut down, three will be planted.

Asked if support to the family sector meant that the cooperatives had been relegated to the background, Luciano Sambane said that, in these times, it was impossible to ignore the cooperative movement, since the cooperatives are an organized model of concentration of the productive force.

He reported that there are almost 200 production cooperatives on the outskirts of the city of Maputo, 75 of which are self-financed, although they are economically weak. He added that 99 percent of these cooperatives are run by women.

Regarding the importance of cooperatives, the official said they perform a social function which cannot be ignored, since they are stemming the flow of people from the country to the city.

He said the production cooperatives should provide a reason for people to remain in the country, and thus constitute a solid base for rural collectivization.

Another aspect which Sambane noted regarding the importance of the agricultural cooperatives is the community spirit and work discipline acquired through the cooperativist experience. Both of these are essential to the increased production and profitability of such associations.

"It is our view that profitable cooperatives should have more land on which to produce," Sambane said, adding: "This makes it possible to give support to those who merit it, which does not imply that we will ignore cooperatives that are in trouble, particularly in financial trouble. The essence of our work is to provide support for the peasant, in whatever category."

The director of green zones said that farm mechanization would, to a great extent, free the women from heavy work for lighter tasks, but this will not be possible until the peasants master the new techniques.

Regarding training, Sambane said the task now is to see that the extension agents (promoters of the new production techniques) win credibility among the peasants.

The mission of the extension agents is to educate the peasants regarding more rational use of chemical composts and artificial fertilizers and also to publicize techniques for combating the diseases which affect the crops.

Italian-Mozambican Model

"Agricultural cooperation between our country and Italy should follow a model created in accordance with Mozambican reality; it should ally Mozambican experience and Italian intervention in this area," said Augusto Ceruty, chief of the Infulene Valley Utilization Project.

He said the project should exploit the existing resources to the fullest, using the capabilities of everyone involved, and that this would make it possible to achieve the proposed goals of the undertaking.

He added that more equipment will arrive in the country as part of the project, which is budgeted at about \$2.5 million. Among the equipment and materials which should arrive are a steam shovel, several light trucks and some tractors.

As for cleaning up the waterways in the valley, Augusto Ceruty said it was essential that the population and the peasants who are using this land engage in removing the rubbish and brush brought up by the dredge (which arrived recently in the country as part of this project).

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CSO: 3442/99

LABOR UNION CREATED FOR CONSTRUCTION

Maputo NOTICIAS in Portuguese 17 Feb 87 p 8

[Text] The Constituent Conference of the National Union of Workers in Construction, Lumber, and Mining opened yesterday in Maputo. Delegates from all the provinces participated. The conference, which was preceded by the laying of a wreath at the Plaza of Heroes, is presided over by Augusto Macamo, secretary-general of the Mozambique Workers Organization, OTM.

Yesterday, in accordance with the items approved for inclusion on the agenda, the report of the current situation in the industry was presented. Emphasis was given to an analysis of the role of the Union in the economic recovery of the sector under the rehabilitation program.

In his speech Augusto Macamo noted that, looking beyond the fact that the conference being held at a time when all the attentions and energy must be concentrated on the Rehabilitation Program, the fight against banditism, and the struggle to increase production and productivity, the conference should center on careful consideration and a search for concrete solutions so as to clarify its role sectorially.

Macamo said that to accomplish this, a solid organization is needed. That way, generalizations will not be made about either the problems or their resolution. Specific and concrete solutions must be found for each sector, because only in this way can the industry grow and develop.

After his speech, the conference Presidium was elected; this was followed by the presentation of the conference agenda.

Two of the items on the agenda stressed an analysis of the role of the Union in the economic recovery of the industry, the presentation and the discussion of the report on the current status of the industry and--as an important topic in the direction and orientation of the work of the conference--the Economic Rehabilitation Program.

Also on the agenda was a presentation and discussion of the report by the Central Preparatory Office of this conference; union organization in general; the presentation, discussion, and approval of the internal regulations for the functioning of the Union; and the program of Union activities for the next 5 years.

The final item on the agenda will be the election of the various organs of the National Union of Workers in Construction, Lumber, and Mining.

Go Back in Space and Time in Order to Win

The report of the present status of the industry submitted at this conference and debated during yesterday afternoon's session gave the delegates a general background of the economic, social, cultural, and national defense situation and the way in which the various entities that make up the Construction, Lumber, and Mining Union function.

In one of the passages relating to the current economic situation, the importance of the industry in the development of the national economy was underscored, particularly its role in major construction enterprises and projects, lumber exploitation, and the possibility of earning foreign exchange from mining. All these, taken together, would guarantee the resolution of the problems of the Mozambican people.

The report also focused on certain problems that hinder growth in this sector. The document noted, further, that our country lags far behind other countries in the region in terms of mineral exploitation despite the fact that the presence in our country of enormous quantities of valuable mineral reserves is well known.

Furthermore, the document made the point that all three of these sectors have had to face tremendous difficulties in terms of the supply of construction materials. This is due, in particular, to the continuing action of the armed bandits that tends to block the means of access to the zones where raw materials are produced.

12830/12951

CSO: 3442/94

BRIEFS

WFP FOOD ASSISTANCE--Mozambique and the World Program [WFP] today signed an agreement on food assistance to Mozambique's victims of drought and displaced people valued at \$4.7 million. The agreement was signed this morning by Mozambique's Trade Minister Aranda da Silva and World Food Program representative in Maputo (Arthur Hynne) and according to it, World Food Program will provide Mozambique with 11,000 tons of maize which will be distributed in Inhambane, Gaza, Manica, and Sofala. These provinces and Maputo will also benefit from 1,800 tons of beans. [Summary] [Maputo in English to Southern Africa 1800 GMT 7 Mar 87 MB] /12232

FAMINE IN MARARA--Over 50,000 people are affected by famine in Marara, Changara District, Tete Province. Goveia Goz, administrator of Marara, said the people needed major assistance, adding that the amount of corn received so far did not satisfy people's requirements. [Text] [Maputo Domestic Service in Portuguese 1730 GMT 7 Mar 87 MB] /12232

RECOVERY PROGRAM--Mozambique's trade minister, Aranda da Silva, says the Mozambican Government has worked out a national economic recovery program in order to strengthen the country's defense. Mr da Silva says the recovery program will help to increase the efficiency of the Mozambican Armed Forces and the organization of the country's defense. Security problems, Mr da Silva says, should not be allowed to stand in the way of Mozambique's development. The trade minister was speaking in Maputo yesterday at the start of a visit to Mozambique by the European Economic Community's vice president for development, Lorenzo Natali. Mr Natali, who arrived in the country yesterday, told reporters that his mission is aimed at strengthening relations between the EEC and Mozambique. Today, Mr Natali was scheduled to visit the port of Beira where the EEC is already involved in a huge rehabilitation scheme. [Text] [Maputo in English to Southern Africa 1800 GMT 8 Mar 87] /12232

KUWAIT FUND ACCORD--Mozambique and the Kuwait Fund have signed an accord worth 3 million Kuwait dinars, which corresponds to more than 1.5 million meticals, for an agricultural project on the banks of the Elefantes River at Massingir in Gaza Province. [Excerpts] [Maputo Domestic Service in Portuguese 1900 GMT 9 Mar 87 MB] /12232

DEBT ACCORD SOUGHT--Mozambique wants to resolve once and for all the outstanding issues concerning the signing of the loan contract formalizing the agreement to reschedule Mozambique's debt to Portugal. This was stated in a

message from Prime Minister Mario Machungo which was handed to his Portuguese counterpart by Eneas Comiche, governor of the Bank of Mozambique. Prime Minister Mario Machungo said that cooperation between Mozambique and Portugal can become a reality beyond occasional examples. Mario Machungo said that concrete actions should be taken, in accordance with the desires of the governments and people of both countries, so that cooperation can rest on solid and objective foundations. [Text] [Maputo Domestic Service in Portuguese 1730 GMT 11 Mar 87 MB] /12232

FPLM DESTROYS 'BANDIT' CAMP--FPLM forces have freed a group of children who have been held captive by armed bandits following the destruction of a bandit camp in (Mulemba), Zambezia Province. In the operation, FPLM forces killed four bandits and recovered goods stolen from the people. [Excerpts] [Maputo Domestic Service in Portuguese 1030 GMT 13 Mar 87 MB] /12232

MINISTERS MEET ON AGRICULTURE--In Maputo today, the Council of Ministers held its sixth ordinary session to examine this year's agricultural commercialization program. This year's state central plan provides for an increase of 42 percent in agricultural production for commercialization, particularly in cotton, cashew nuts, beans, and horticulture. Commercialization in the family sector is expected to grow by 25 percent. Also during today's session, the Council of Ministers examined the report on the supply situation in Maputo City, particularly the issuing and distribution of supply cards within the framework of the new supply system. [Text] [Maputo Domestic Service in Portuguese 1730 GMT 17 Mar 87 MB] /12232

AGREEMENT SIGNED WITH SPAIN--Mozambique and Spain signed an agreement in Maputo last week covering the areas of agriculture, health, and tourism. The agreement was signed by Mozambique's minister of cooperation, Jacinto Veloso, and by the Spanish ambassador to Mozambique, Jaime Martinez. According to the agreement, Spain will support agricultural programs in the northern province of Nampula, along the corridor of the Nacala District. In the area of tourism, it will work on the rehabilitation of (four) hotels and the creation of a new training center for the hotel industry in the northern part of the country. The agreement also provides a possibility of Spanish cooperation with Mozambique in the area of health by sending Spanish doctors to Mozambique, as well as providing scholarships for Mozambican health staff for their specialization in Spain. Spain will also cooperate in the area of cattle breeding through the development of forestry in the southern province of Gaza. [Text] [Maputo in English to Southern Africa 1100 GMT 17 Mar 87 MB] /12232

CSO: 3400/250

RSA SAID TO 'NAMIBIANIZE' CONFLICT

Windhoek SOUTHERN AFRICA FOCUS in English Feb 87 pp 1-10

[Text] Although South Africa has in the past failed to gain international recognition for numerous internal settlements-in Namibia, it has made significant progress in 'namibianizing' the conflict. Over the years, it has built an extensive network of black collaborators through which it is able to maintain overall control of the country. Today, these proxies include articulate and educated blacks, who only a few years ago were amongst the most outspoken critics of Pretoria's continued presence in the territory.

Using monetary inducements and taking advantage of the political apathy in the Namibian masses, it has infiltrated and caused confusion and suspicion within opposition ranks. Acting alone or in concert with white-owned business establishments, South Africa can justifiably boast of having 'turned' a number of formerly prominent nationalists.

Within the military, blacks constitute the numerical majority in the South West Africa Territory Force (SWATF). Economic deprivation has driven thousands of blacks to volunteer for service in the armed forces. Swapo's calls for a boycott of the army and police have largely fallen on deaf ears. At the last intake, thousands of black hopefuls were turned away after the army quota had been reached.

With the escalating violence and counter-violence in the region, South Africa seems both prepared and ready to fight its colonial wars to the last black man.

The Interim Government

While Pretoria must be disappointed at the lack of internal or international recognition for its latest neo-colonial effort in Namibia, the Interim Government has in some respects cushioned and reduced the political costs of South Africa's occupation of the country. The previous system, whereby executive control of the country was vested in a South African-appointed Administrator General, tended to reinforce the perception of colonial domination, a fact that compounded Pretoria's political image problem within the country. By acting through local politicians, South Africa can engage and divert the attention of internal and external critics of its colonialism. In the

eighteen months that it has been in office, the interim government has taken a lot of flak which should have been more appropriately directed at its master. What little opposition agitation there has been internally, has concentrated more on the new government than the actual colonial power.

Even as he blessed the transitional government in June 1985, South African President Botha must have known that external recognition of the new government would not be forthcoming. That he nonetheless went ahead with the inauguration shows that recognition was not essential to South Africa's plans for the territory. A second best alternative was an internal administration which would be given limited executive power to effect changes (however cosmetic) to soften black hostility to the status quo, while not threatening overall white (and hence South African) control.

The inherent contradiction of this strategy lay in its failure to address the reality of white minority domination of the black majority. To give blacks a fair deal in Namibia requires drastic and deliberate structural changes that would have the effect of transferring political and economic power to the majority. Proclamation AG B (of 1980) read together with the establishment Proclamation R101 (1985) restricts the central government's power to effect meaningful change in the country. Well meaning attempts by sections of the cabinet to address this issue have resulted in inconclusive legal battles. While declaring Proclamation AG 8 sacrosanct, the establishment proclamation made no mention of changing the country's economic and social relations. Economic domination of the country either directly or through the resident white population is South Africa's ultimate leverage on any future government in Namibia.

Because of the legal constraints within which it can operate, the new government is unlikely to have the sort of impact it would need to be politically credible. The debate within government has tended to focus on peripheral issues. The much publicised differences within cabinet have in essence been squabbles over political breadcrumbs. The indecision and apparent absence of a meaningful policy to transform the country has reinforced the public perception of administrative and political immobilism. Such inertia obviously favours the already privileged white community.

Late last year, Education Minister Andrew Matjila made the false promise that all schools would be de-segregated as of beginning of 1987. What he did not say was that under the present constitution (which includes the infamous AG 8), the central government does not have the power to effect such change. As we go to press there is little indication that white schools are about to open their doors to black pupils.

For as long as schools remain under the control of ethnic authorities, there is little that the central government can do to restructure the education system. Minister Matjila is therefore guilty of raising false hope amongst the blacks. Besides, mere de-segregation would not in itself remove racism from education. To begin to tackle this problem, the government would have to centralise the control of schools and thereafter (at least initially) promulgate laws that would enable it to control the tuition fees, syllabi and entry requirements of all schools (private and public).

Examples from elsewhere in Africa show that when whites are faced with the inevitability of opening their schools to blacks, they often resort to expensive private schools whose tuition fees and entry requirements can be manipulated to perpetuate the practices of the past. The interim government has not as yet explained how it intends to handle such an eventuality.

The media in Namibia gives considerable prominence to several private multi-racial schools in the Windhoek area. These include St. Paul's and St. George's colleges. Recently a German medium school also went multi-racial. What the readers are not told is that the schools' location and exorbitant tuition fees ensure that only whites or rich blacks can afford to send their children there. In the confusion that pervades Namibian politics, tokenism gets portrayed as the ideal. Not surprisingly, the black pupils are a tiny minority at these schools.

Keeping the Blacks Pre-occupied

The presence of the interim government has created considerable confusion within the black community. In the last year and a half, opposition politicians have spent more time criticising the new government than initiating effective agitation to force South African withdrawal from the country.

In 1984, the South West Africa National Union (SWANU) split into two; with one faction lead by Moses Katjiuongua joining the government and the other (Swanu-'Left') lead by Kuzeeko Kanguuehi opting out. The split has politically paralysed sections of the Herero tribe, as former party adherents take sides between the two factions.

In a quest for survival, several nationalist leaders have taken up work in multi-national and semi-government structures. Such employment has invariably lead to a toning down of their political activism. Strictly professional and material pursuits like big houses (preferably in formerly 'whites only' suburbs) have taken precedence over organising political meetings and protests.

By absorbing the nationalists (often in nominal but visible roles) the multi-nationals have gone some way in resolving their image problems. Parading their black executives has been known to work wonders in pacifying agitated workers or scoring public relations points within the black community.

Rio Tinto Zinc (RTZ)-owned Rossing Uranium Ltd several years ago appointed former SWANU External Council chairman Zedekia Ngavirue as its (non executive) Chairman. In the sixty's and seventy's, the Oxford educated Ngavirue was a familiar sight at world forums as a fiery critic of RTZ's economic involvement in Namibia, in defiance of numerous United Nations resolutions on the issue.

Although he claims to have retired from politics, Dr Ngavirue is generally associated with the faction of Swanu that is in government. Rossing Uranium also has a link into the other faction of Swanu. Its Industrial Relations Suprentendent at the mine is Charles Kauraisa, an alternate member of the Swanu-'Left' central committee.

For as long as prominent nationalist leaders remain in the employ of government or multi-national organisations, they can not be radical in their political demands for fear of jeopardising their livelihood.

Even a pro-SWAPO ally like Damara Chief Justus Garoeb does not advocate the sort of political action that would put his government salary at risk. Garoeb's logic in heading the Damara second-tier authority is as unconvincing as Zulu Chief Gatsha Buthelezi's attempt to change apartheid 'from within'.

Military

According to military sources in Windhoek, at least 63% of the soldiers in the South West Africa Territory Force (SWATF) are black. The black soldiers are shouldering an increasing share of the fighting against the People's Liberation Army of Namibia (PLAN), Swapo's military wing. Although conscription laws are in force in Namibia, they have rarely been strictly enforced in respect of blacks. Lately there have been enough black volunteers to meet the military's needs.

By shifting the human burden of fighting Swapo to local blacks, Pretoria can reduce its white manpower commitment to the war. With the continuing upheaval in its own black townships, it needs the services of its white citizens to maintain control. Namibianizing the war against Swapo has come in handy in this regard.

Politically, the South African white community find the human cost of the war more tolerable if it is black rather than white soldiers that are killed. By getting blacks to 'defend' their own subjugation, South Africa is able to retain control and simultaneously address the Anti-Conscription Campaign within its white constituency. The officer corps will of course remain white and answerable only to Pretoria. This is likely, to remain the case despite talk of establishing a defence portfolio within the interim cabinet.

An army career has in recent years become more and more acceptable within the black community. In Owamboland today, soldiers in uniform freely mix with civilians at drinking places. Only a few years ago such was the hostility to the military that mixing was rare. Poverty and lack of sophistication amongst blacks has been exploited by the military to further erode political resistance.

The San people (often referred to by the derogatory term 'Bush men') have been absorbed into the army as trackers against Swapo insurgents. Their ability to 'smell' a human being from miles away has proven an asset to military operations.

Angolan Citizens

Although there are no reliable figures available, there are tens of thousands of Angolan nationals in Namibia. The haphazard nature of colonial boundaries in the last century split families and tribes. It is estimated that over half of the Owambo tribe resides across the border in southern Angola. Because they speak the same dialects, the Angolans are indistinguishable from the locals.

Those Angolan refugees that entered the country in 1975/76 came mainly from the southern and south-eastern tribes generally sympathetic to the UNITA rebel leader Jonas Savimbi. As a result of financial inducements and also as gratitude for South African hospitality, the Angolans have had no qualms about rendering mercenary service against Swapo. The 32 Buffalo Brigade includes ex-soldiers of Holden Roberto's FNLA movement. They are reported to feature prominently in the army's cross border raids into southern Angola. The presence of armed black mercenaries who are physically and linguistically indistinguishable from Namibians must pose long-term security problems for any future black government in this country.

Community Infiltration

Evidence has emerged in the last few years that the South African army initiated the formation of politico-cultural organisations in the 'operational areas'. In Owamboland, the organisation is called ETANGO, while in the Kavango military district it is called EZUVA. The equivalent in Eastern Caprivi is the NAMWI foundation. In all the cases, the army-directed organisations have sought to promote a more positive image of the armed forces and simultaneously spread anti-Swapo propaganda. The organisation's generosity by way of cash and free 'T'shirts has proved a drawcard to the largely impoverished rural black population.

Despite claims to the contrary, the politico-cultural bodies seem to be the beginnings of a formalised attempt to create pro-South Africa, community based political institutions in the war zones. While the political debate remains stalemated, the South African military is quietly building political-military structures that it could in future rely on to subvert genuine nationalism and independence. The lessons from the RENAMO rebellion in Mozambique show that with sufficient training and money, even a relatively small politico-terrorist group can paralyze a country.

Etango or indeed any of the other army-sponsored organisations are unlikely to grow into a political alternative to Swapo and yet because of their South African-supplied financial and other resources, it would be foolhardy of any future government to ignore them.

Even the interim government views the politico-cultural organisations. In 1985, Deputy Justice Minister Katuutire Kaura accused the army's involvement with Etango as a South African attempt to undermine the transitional government. Although perhaps a little exaggerated, the minister's comments confirm that the government has no control over Etango.

Judiciary

From its inception, apartheid has relied on judges and other officers of the court who have willingly enforced its racist and inhuman laws. Courts in Namibia and South Africa routinely preside over the jailing and 'legal killing' of defendants in numerous 'terrorism' and 'treason' trials. While expressing outrage at armed resistance, the courts have remained quiet about the inherent violence of the apartheid system. At all times the judges involved have absolved their role by the simplistic argument that they do not make the laws, but merely interpret them.

The establishment proclamation (R101) included an annexure entitled "Fundamental Bill Of Rights and Objectives." But for its vagueness and escapist phraseology the document looks impressive on paper. The document purported to show that the new government would accord all Namibians their rights, on much the same lines as the United Nations charter does. Reality, however, has proved otherwise. The bill has neither stopped nor prevented continuing army excesses against civilians in the operational areas. Indeed, in a recent decision, the courts ruled that there was not conflict between the provisions of the bill and the martial law conditions in the north of the country.

In the name of upholding the bill, however, the courts have passed judgements against the state which although superficial, have had a perceptible lulling effect on the opposition.

Last year the courts ruled that Swapo could legally hold meetings. And in another judgment they overturned a government requirement that newspapers put up a R20 000 deposit before they could publish.

The effect of these incosequential judgments has been the creation of an erroneous impression (amongst blacks) that the courts in Namibia are politically impartial and can be allies against apartheid.

The judgment allowing Swapo to hold meetings has not stopped official disruption of such gatherings. And yet opposition politicians are showing inordinate faith in using the courts to bring down the status quo.

The South African government has been known to change laws overnight in order to counter what it considers unfavourable court decisions. That Swapo is allowed to hold public meetings is less an indication of the courts' impartiality than Pretoria's increasing confidence that it can control the situation within the country. This also explains the fact that the state of emergency regulations recently imposed in South Africa (and the Bantustans) were not extended to cover Namibia. President Botha did not see the need to do that because the low level and largely ineffectual opposition agitation could be contained by the existing laws.

Traditional Elite

Chiefs and Headmen remain South Africa's most important means of controlling rural blacks. The establishment of second-tier ethnic government gave the traditional elite an even greater stake in the apartheid system. At least two thirds of the Namibian people live in the rural areas and thus fall under the direct control of the traditional rulers. Although they understand the fact of their subjugation, the rural majority often lack the education and awareness to understand South Africa's increasingly subtle methods of control.

A peculiarity of Namibian politics is the fact that leaders can collaborate with South African colonialism but still remain credible in the eyes of their people.

Chiefs Justus Garoeb and Peter Kalangula head the Damara and Owambo ethnic administrations respectively. In that role they are Pretoria's principle channel of control over their subjects. And yet both leaders have constituencies and often join opposition leaders in plotting the system's downfall. Both chiefs derive financial and other benefits from their government paid jobs. They have a stake in the system that they (in theory) would like to bring down. That the two are considered 'progressive' shows the general lack of public awareness vis-a-vis Pretoria's control structures. Garoeb is considered Swapo's ally and has, under Sam Nujoma's auspices addressed international gatherings convened to co-ordinate apartheid's demise.

Although openly critical of Kalangula's collaboration with South Africa, Swapo has generally refrained from antagonising Garoeb on this issue. Garoeb enjoys the loyalty of the Damaras, Namibia's second largest tribe. Although Swapo has adherents within the tribe, it can not rival the chief's popularity. In Namibia's rural context, ethnicity takes precedence over political principle.

According to evidence presented to the Thirion Commission investigating financial wastage in ethnic governments, Garoeb's administration was amongst the most corrupt and incompetent. And yet the chief has never been asked to explain himself by his humble subjects. African respect for chiefs, coupled with rural simplicity have enabled cunning leaders to get away with criminal complicity in the country's continued subjugation. The evidence lead by the Thirion Commission could convict dozens of guilty chiefs and headmen. But South Africa has never seriously contemplated pressing charges, lest it antagonised its traditional collaborators. Despite protestations to the contrary, men like Garoeb have played into the hands of apartheid and made South Africa's occupation that much easier and cheaper.

Prospects

While South Africa can never expect to win the hearts and minds of the Namibian people, it has succeeded in creating 'black structures' through which it is able to retain control of the country. For financial gain increasing numbers of the Namibian modern and traditional elites have wittingly and unwittingly signed up to serve apartheid. Where as in the past such collaboration was confined to semi-literate blacks joining the colonial army and police, they now include well educated black nationalists. Whatever its failings, the Transitional government represents a significant step in South Africa's efforts in co-opting nationalist leaders, past and present. Even without external recognition, the new government has served Pretoria's purpose in engaging and confusing the black majority. Pitting black against black has reduced the financial and political image costs of subjugating Namibia.

Only an intense and well co-ordinated political conscientization programme can break the lethargy and confusion that has invaded the Namibian resistance. Until this happens it is doubtful if the broad masses will be in a position to clearly identify the 'enemy' and its proxies. The collapse of various opposition alliances can be traced to the contradictions of lumping together committed nationalists with political opportunists and collaborators.

The political apathy that has enveloped the country has made South Africa's work easier. The political opposition has thus far failed to effect a strategy that will do so much as keep the independence 'dream' alive. In the face of an increasingly vocal and aggressive interim cabinet opposition leaders have shrunk and recoiled into inactivity. The struggle has been put on ice. In the last eight months the secretary general and foreign secretary of Swanu-'Left' have gone back into exile. Although the official explanation is that the office bearers will 'intensify the struggle from abroad', no one has been fooled by such misrepresentation. With the lack of movement toward independence, the two leaders decided to quit.

Botha's dilemma in South Africa is the fact that the black political resistance has reached a stage where each time the leaders are arrested (or co-opted), new ones emerge from the ranks. Vacillating the indecisive leaders are quickly replaced by more radical ones. Arresting leaders has not slowed down the struggle and hence the decision to impose a wholesome ban of political activity under the emergency regulations.

The Namibian struggle has not yet reached the self-sustaining phase. Consequently the internal political momentum rises and falls with the leaders' performances. There has been an actual regression in political awareness and agitation in Namibia in the last six years. The vicissitudes of the independence debate in the last decade have in their wake left a demoralised public. Most people have now set their sights lower and are concentrating more on personal advancement than the broader quest for national independence.

While South Africa may not be wholly responsible for the chain of events that have undermined the Namibian resistance, it remains the obvious beneficiary of the present state of affairs. Rather sadly, the opposition leaders have failed to rise to the occasion.

/12828

CSO: 3400/268

PIENAAR DENIES DIFFERENCES WITH MILITARY ON OVAMBO

MB131607 Windhoek THE WINDHOEK ADVERTISER in English 13 Mar 87 p 1

[By Jim Freeman]

[Text] While the military and the office of the administrator-general might have their differences, there is no dispute "so gross that it poses a threat for the future of Ovambo."

The administrator-general, Mr Louis Pienaar, said he and the military differed on how regularly the two bodies should meet for discussions, but "there are certainly no differences between us on the question of offering elections and promoting the democratic process in Ovambo."

Mr Pienaar vehemently denied a report in yesterday's ADVERTISER that the military command was trying to end attempts by the Office of the Administrator-general to enmesh Ovambo administration leader Peter Kalangula in the national constitutional debate.

Chief adviser to Mr Kalangula's Christian Democratic Action for Social Justice [CDA], Mr Werner Neef, told THE ADVERTISER the CDA had accepted an offer of second-tier elections in return for participation in national politics to prevent the army from gaining sway over Mr Pienaar's initiative.

If the CDA had not accepted the "flawed" offer, the army would have taken full control of life in Ovambo, maintained Mr Neef.

Mr Pienaar responded that "there was not the least vestige of such a difference."

/12232

CSO: 3400/246

HNP LEADER DEMANDS VOTE ON SCHOOL DESEGREGATION

MB191022 Johannesburg SAPA in English 0919 GMT 19 Mar 87

[Text] Windhoek 19 March SAPA--The leader of the Herstigte Nasionale Party in SWA/Namibia, Mr Sarel Becker, today demanded an election be held among whites in the territory to test their attitude on the proposed desegregation of white schools.

He referred in a statement to a motion adopted last Friday by the legislative assembly for whites calling for the abolition of race and colour as entrance requirements to white schools.

The motion was adopted by three ruling SWA National Party [SWANP] members voting with seven opposition Republican Party representatives who together defeated an amendment to the motion tabled by the SWANP leader, Mr Kosie Pretorius.

Mr Becker said the introducer of the motion, Mr Frans Van Zyl of the SWANP, had acted in direct conflict with a mandate given him by white voters. "These events demonstrate dramatically what happens when representatives do not give account of themselves at regular intervals to the voters," Mr Becker said.

The last elections in SWA/Namibia were held in November 1980.

Meanwhile, a former SWANP chief delegate to the SWA/Namibian transitional government, Mr Eben Van Zijl, said in a statement that Mr Pretorius had declined an offer to discuss the desegregation motion with him a day before it was tabled.

Mr Van Zijl was a member of the transitional cabinet until the end of January. He left the cabinet over "differences of interpretation" of party policy between Mr Van Zijl and the party's leadership.

Last year, Mr Van Zijl supported a cabinet decision to open white schools to all race groups.

The desegregation motion introduced in the representative authority for whites was an "earnest attempt" to bring clarity in a sensitive sphere, Mr Van Zijl said.

/12913

CSO: 3400/269

BRIEFS

DETAINEES' STATEMENTS WITHDRAWN--The state this week abruptly withdrew statements allegedly made by eight defendants in a terrorism trial in the face of overwhelming evidence that their "cooperation" had been extracted after severe beatings. A "trial within a trial" came to a sudden end after cross-examination of Captain Frantz Ballack of the special police Counter Insurgency Unit (Coin), formerly known as Koevoet [Crowbar]. Ballack confirmed evidence led by security police officers that he had "seriously" beaten one of the accused, Andreas Heita, and had assaulted others, keeping no medical or other records of his "interrogation." Meanwhile, a top-level probe into the torture of Swapo suspects by police, including Coin, is to be launched SWA Police Commissioner, Major General Dolf Gouws, said this week the investigation had been prompted by the testimony of police at the trial. [By Jean Sutherland in Windhoek] [Text] [Mohannesburg THE WEEKLY MAIL In English 13-19 Mar 87 p 1 MB] /12232

CSO: 3400/246

NRA FORCES 'SECURE' HOSPITALS BY PLUNDER, DESTRUCTION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 24 Feb 87 p 7

[Article by bb., Nairobi: "Long Ago, People Ceased To Ask 'Why'". "Ugandan Troops Burn Down Mission Hospital"]

[Text] They had been missing for two weeks. A doctor, a Verona Father, some nuns, personnel and patients--altogether about 200 to 300 people, among them the well-over-90-year-old former bishop of Gulu who lived in retirement--had to leave their hospital in northern Uganda on 9 February. This is what the army had ordered them to do. Why? In Uganda, having a rifle no longer raises questions; people do what they are told to do. Immediately. Still, they know why the Kalengo Mission Hospital has been evacuated. The army burnt it down to prevent its falling into rebel hands. Over the weekend, a radio message from the missing group was picked up in the capital of Kampala. The message said that most of them were still alive. They are wandering about somewhere in the Kitgum-Gulu-Lira triangle, living on whatever they can find in the savanna. They had run into a military unit whose leader showed some sense of humaneness when he reported their distress over the radio. Private organizations are now planning to try to supply them from the air and, possibly, rescue them.

In northern Uganda, the army faces a battle which it clearly cannot win. Basically, the issue is again the old conflict between the Nilotes there and the Bantu in southern Uganda. For all practical purposes, the war started toward the end of the past century when the British colonial power joined the Nilotes and Bantu into the artificial state of Uganda; ever since then, the war has been going on, mostly covertly, but sometimes openly. Since Uganda won its independence in 1962, the north has dominated the south. Troops from the north slaughtered half a million or one million Ugandans in the south. The first Bantu-speaking Ugandan, Yoveri Museveni, has been in power for a year, but only in Kampala and its surrounding area, and even there not everywhere. The atavistic hatred among Uganda's tribes and peoples extends to the church as well. Last week, the Pope had to reprimand four Acholi priests for protesting the appointment of a west Nilote as the new bishop of Gulu and for refusing to obey him. The diocese of Gulu covers almost all of Acholiland, and this is the reason why the priests, who are members of a regional association of priests, insist that it be led by an Acholi.

From time to time, Museveni announces the capture by his troops of a rebel headquarters here, the destruction by them of a major rebel unit there, and

the liberation of a road in yet another place. However, all of these victories are won near Kampala. North of Lake Kyoga and in the northwest, it is quite another story. The Nilotic Acholi, Langi and Karamojong are in revolt, not just jointly, but also against one another, and not at the same time, but now and then. At the moment, it is the Acholi who refuse to be beaten by Museveni's army and who are fighting a guerilla war. They have encircled the city of Kitgum. They raided Alito Hospital and plundered it until nothing was left. Why? Another one of those questions. Medicines, spare parts, food, linen, kitchen utensils--the attackers have taken everything. On Sunday, the hospital, too, was burnt to the ground. It had been supported by the German Leper Relief Organization. Now, help can no longer be provided. Until now, leprosy was a taboo that served as a protection against the civil war. Today, even this wall has fallen. Leprosaria, like other hospitals and like any other place, are being overrun wherever there is something to plunder and to steal. Rebels and soldiers do not even shy away from impregnating leprous women who have lost toes and fingers, hands and feet and half of their face.

Currently, the Karamojong and the Langi are calm. For months, there also has been a sultry calmness among the western Nilotes that enabled their truck convoys to take the long detour via the western Nile River. Since the direct route from Kampala to the southern Sudan in the Acholi area is no longer passable, even with military protection. Museveni continues to use children as escorts at the northern front and at roadblocks. Some weeks ago, he let it be known in Kampala that boys, 8-16 years old, would now be discharged from their combat units and sent to military schools. Still, at the moment, they continue to stand guard--many of them hardly taller than their Kalashnikov, unable to count how many people they have killed. Most children are war orphans and bent on avenging their massacred parents, according to Museveni.

Museveni's troops are forced to continually fight to free the railroad line to the Nile leading up to north of Lake Albert. Occasional trains reportedly are still running in the Teso and Langi region; the Acholi area behind it is closed. Hardly anything is known about what goes on in Acholiland. Not even the army is secure there, and the troops are forced time and again to abandon their fortified positions. From time to time, a lost missionary or a nun manage to get out. They report assaults and murders and plundering. However, they do not confirm that Museveni's army in the north is systematically burning down villages, murdering their inhabitants as the Nilotic soldiers used to do in the south until a year ago.

7821/5915

CSO: 3420/14

BRIEFS

BULGARIAN BARTER DEALS--Bulgaria is to buy Zimbabwean goods worth \$5 million under a general cash transaction this year. This was disclosed by the Bulgarian ambassador to Zimbabwe, Comrade Aleksandur Atanasov, in an interview with the FINANCIAL GAZETTE newspaper. He revealed that Bulgaria is also to finalize a barter deal with Zimbabwe worth \$12.5 million. The ambassador also said Bulgaria has increased to 200 the number of scholarships for Zimbabwean students. [Text] [Harare Domestic Service in English 1115 GMT 6 Mar 87 MB] /12232

MUZENDA URGES NEW MARKETS--The deputy prime minister, Comrade Simon Muzenda, has urged industrialists and merchants in Zimbabwe to explore new markets. Speaking at a ceremony to rename Tor Steel in Kwekew today, Comrade Muzenda said it is vital for domestic and export markets to be expanded. The deputy prime minister pointed out that the expansion will alleviate the trade problems Zimbabwe might face after sanctions have been imposed against racist South Africa. He disclosed that the government is negotiating barter deals, commodity import programs, and countertrade, to offset the reductions in the allocation of foreign currency. [Text] [Harare Domestic Service in English 1115 GMT 6 Mar 87 MB] /12232

WEST'S HELP WITH BEIRA SOUGHT--The former prime minister of the then Southern Rhodesia, Mr Garfield Todd, has called on the Western world to assist in the rehabilitation of the Beira corridor. According to THE HERALD, Mr Todd made the call when he addressed the Britain-Zimbabwe Society in Bulawayo yesterday. He said if Western countries are serious about bringing apartheid to an end they should make a contribution to the project. [Text] [Harare Domestic Service in English 0500 GMT 14 Mar 87 MB] /12232

MULTINATIONALS CURRENCY CONTROLS URGED--A call has been made for the government to effectively control the use of foreign currency by multinational companies operating in Zimbabwe. The call was made by president of the Zimbabwe Congress of Trade Unions, ACTU, comrade Geoffrey Nkandare, when he closed a 1-week seminar for the Commercial Workers' Union at Sir Bader House near Harare yesterday. Comrade Nkandare urged the government to draw up a code of conduct for those multinational companies working in this country. He charged that Zimbabwe is facing economic sabotage from companies, leading to unjustified shortages. [Text] [Harare Domestic Service in English 0500 GMT 14 Mar 87 MB] /12232

DROUGHT AID COMMITTEE--THE HERALD reports that all crops, with the exception of the early planted and irrigated ones, have been affected by drought. [Words indistinct] are suffering in various degrees, with some of them drying. Some of the most affected provinces are Mosvingo, parts of Midlands and Matabeleland north and south. In the meantime, the president of the Commercial Farmers' Union, Mr Bob Rutherford, has set up a drought committee. The committee will examine ways of helping farmers affected by the drought. [Text] [Harare Domestic Service in English 0600 GMT 14 Mar 87 MB] /12232

MEDICAL GOODS FROM HUNGARY--More goods have arrived in this country under the Zimbabwe/Hungary barter deal--this time the consignment is of medical goods manufactured by Medicor in Budapest. Much needed disposable syringes and needles are included in the consignment, handled by Cargo Services, and will be distributed to both government and private hospitals by Surgimed. [Text][Harare THE FINANCIAL GAZETTE in English 27 Feb 87 p 11]/12828

MANUFACTURING UP BY 2.7%--Manufacturing production between January and October, 1986, rose by 2,7% over the corresponding period in 1985, with textile production showing the highest subsectoral increase, of 12%. According to provisional figures from the Central Statistical Office, increases in manufacturing production were: textiles, 12%; transport and equipment, 10%; drink/tobacco, 6,9%; wood and furniture, 5,2%; food and stockfeeds, 5%; non-metals, 5%; and metals, 2,2%. Production of goods listed under "others" increased by 8,3%. Decreases in production recorded during the same period were chemicals (6%), and paper and printing (4%). [Text][Harare THE FINANCIAL GAZETTE in English 27 Feb 87 p 7]/12828

COPPER EXPORT DEAL WITH KENYA--CAFCA has concluded a deal with copper wire manufacturers in Kenya to sell \$160 000 worth of copper rod from its modernised factory in Lytton Road, Workington, Harare. Negotiations were completed by sales manager Mr John Mukaro, who said it represented a double breakthrough for Cafca. Although Cafca (formerly known as Central African Cables) exports to several other countries in the region, this was its first product sale to Kenya. It is also the first time that copper rod--partially processed copper for final drawing into wire--had been exported anywhere by Cafca. [Text][Harare THE HERALD (Business) in English 5 Mar 87 p 1]/12828

BESTOBELL TO PRODUCE NEW RANGE OF PUMPS--In co-operation with the British company JLC, Bestobell Zimbabwe has added to its range of locally manufactured pumping systems with a new multi-purpose turbine pump. The new JLC (UH) turbine pump is primarily suited for the feeding of boilers. It can also be used for a variety of other applications, including spraying and wash-down, heat exchange, fire protection, as a pressurisation plant and for humidifying in farming and horticulture. Powered by a 4kW electric motor, the pump operates in single stage, with multiple internal impellers developing the requisite pressure before discharge. According to Bestobell, the JLC (UH), which received a final testing last week, has a typical performance level of between 40 litres per minute at 10-bar pressure and 80 litres per minute at 5-bar pressure. [Text][Harare THE HERALD (Business) in English 5 Mar 87 p 3]/12828

CSO: 3400/263

FOREIGN EXCHANGE CUTS THREATEN FIRMS

Johannesburg BUSINESS DAY in English 18 Feb 87 p 9

[Text]

HARARE — Severe cuts in Zimbabwe's foreign exchange import allocations for commerce and industry threaten closure of some businesses and shortages of goods, industrialists said.

Allocations to the commercial sector have been cut by 55% across the board, said the Zimbabwe National Chamber of Commerce, whose members have received notification of their January-June 1987 allowances.

Import allocation figures for industry have not yet been released, but industrial sources predicted a 33% cut. They forecast negative growth for industry in 1987.

Many Zimbabwean producers rely on imported raw materials not available locally.

Economists said Zimbabwe's foreign

exchange crisis — one of the most serious the country had ever faced — had been caused by huge outflows of foreign exchange to pay for maturing debt and higher defence spending.

The latter is primarily due to Zimbabwe's commitments in Mozambique, where thousands of troops are protecting vital trade routes and helping the government to fight rebels.

Industrial production in Zimbabwe grew only 1% last year after a 14% surge in 1985.

The country has an external public debt of about \$2,15bn and about a third of its budget is spent on defence. — Reuter.

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CSO: 3400/264

EMCOZ: FOREIGN EXCHANGE CUTS WILL RESULT IN LOSS OF 30,000 JOBS

Harare THE FINANCIAL GAZETTE in English 27 Feb 87 p 6

[Text]

THE RECENT cuts in foreign currency allocations are likely to result in the laying off of some 30 000 workers throughout Zimbabwe, said Dr David Chanaiwa, executive secretary of the Employers Confederation of Zimbabwe (Emcoz), this week.

Furthermore, he said, "the productive and material sectors have over the last six years seen a drop of between 10 and 20% in employment".

Employers, Dr Chanaiwa said, are going through "a very difficult time" because of the shortage of essential raw materials, and many are already operating well below capacity. The tripartite retrenchment committee chaired by the Ministry of Labour is now receiving more and more applications from employers, asking for permission to dismiss or to put workers on short working hours.

"That trend is increasing. We are beginning to see very serious cases of a large number of employers who don't know what to do with their workers because of foreign currency problems," he said.

It is estimated that the formal sector can only create between 8 000 and 20 000 jobs annually. At present, there are more than 90 000 school leavers who have completed basic secondary education, in addition to several thousand university and college graduates, and the more than 1 million unemployed in the rural areas. Added to that, the economy has to absorb returning graduates who were

on various scholarship programmes abroad.

A tripartite committee comprising representatives from Emcoz, the government and the Zimbabwe Congress of Trade Unions (ZCTU), has been formed to look at ways of job creation. Its first meeting is scheduled to be held today, Friday.

The chairman of the Zimbabwe Association of Personnel Consultants (Zapc), Mr Mike Cook, said that the future of school leavers is "just bleak. With the foreign currency cuts, we are facing more retrenchments rather than effective employment creation programmes — it is not a good picture at the present moment.

"We are continuously receiving applications from around the country, and there are also graduates who have completed their training overseas and they come to find there are no opportunities," said Mr Cook.

Mr Peter Kipps of Kipps Employment Agency, told the *Gazette* that "God help those looking for jobs" because the employment market is tight at the moment. Measures such as relaxation on the investment code and corporate taxes can help to introduce "a more favourable climate into the economy as we get more and more foreign companies establishing business here," he said.

The outgoing chairman of the Harare branch of the ZNCC, Mr Phil Jumbe, said this week that "the rate of our already soaring unemployment will rise further unless, of course, the government has other immediate measures in hand for procuring the components that

are vital to the business community. It should be stated in no uncertain terms that foreign currency allocations were totally inadequate for most sectors of the economy even before the cuts in the present quota period."

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CSO: 3400/264

RSA, MOZAMBIQUE SOLIDARITY FUNDS GET BOOST

Harare THE HERALD in English 5 Mar 87 p 5

[Text] **THE South African and Mozambican solidarity funds were yesterday further boosted when the Zanu (PF) Midlands Province, presented more than \$13 000 to the Prime Minister, Cde Mugabe in Harare.**

The Midlands Provincial chairman, Cde Richard Hove, presented Cde Mugabe with the money at his Munhumutapa Building offices. The South African solidarity fund received \$12 582 and the Mozambique solidarity fund got \$1 300.

Of the money donated to the South African Solidarity Fund, \$600 came from first-year students at the Mkoba Teachers' College.

Presenting the money, Cde Hove said the people in the Midlands Province had contributed to their South African and Mozambican counterparts despite experiencing problems of drought themselves.

Accepting the money, Cde Mugabe said the contribution was the biggest to be received from a single province to date. "The contribution will go a long way in enhancing the fund."

He said although the province was undergoing difficulties regarding drought, it was evident that the people had a great desire to see the people of South Africa free.

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CSO: 3400/263

ZANU (PF) OFFICIAL ORGAN SAYS APARTHEID DISCREDITED

Harare THE HERALD in English 5 Mar 87 p 5

[Text]

THE doctrine of apartheid has been so discredited both in South Africa and abroad that even the regime's President P. W. Botha can no longer defend it, an editorial in Zimbabwe News the official organ of Zanu (PF) has asserted.

Making a tough assessment for the first time this year of the Southern African political panorama, the editorial entitled *Difficult Times Ahead*, says: "Even the Dutch Reformed Church — the anchor of apartheid — now admits that there are no scriptural grounds for supporting apartheid."

For over four centuries those same clergymen had been telling their followers that there could be no equality in the church or in the state, the editorial says.

But "the false doctrines of racism and inequality by both the National Party and the Dutch Reformed Church" had been thoroughly exposed as "a sham and shameful design for maintaining economic and social privileges and political power in the hands of a minority within a white minority".

The editorial predicts that 1987 would be a difficult year for the region because the struggle for the liberation of Namibia and South Africa would enter a critical phase.

The masses were ris-

ing up in opposition to the apartheid regime while with the exception of the ruling classes in the US and Western Europe, the diplomatic isolation of the apartheid regime by the international community was almost complete. The programme of international economic sanctions would begin slowly to bite with the Bahamas package along with the resolution of the US Congress.

At the same time the African National Congress had stepped up its military and political activities inside South Africa and had vowed to work even harder this year to make the African townships and urban areas "ungovernable".

Calling on the international community to impose mandatory economic sanctions against Pretoria and to increase material support for the ANC and the PAC and also strengthen the Frontline States, the Zimbabwe News editorial says Africa could not be seen to lag behind the US, Canada, Australia and New Zealand, which had already taken some measures in the struggle against the apartheid regime.

"After all, it is our own struggle in the first instance, and an international one in the second place."

Giving a short history of the birth of the ANC, the editorial says that as the principal organisation engaged in the armed struggle, the organisation was facing many problems and challenges.

The recent meeting between US Secretary of State Mr George Shultz and the ANC president, Ode Oliver Tambo, had been forced on the US government by the growing opposition of the masses to the apartheid regime.

ZIMBABWE

CAZ LEADER COMMENTS ON PLANS TO ABOLISH SEATS

MB061824 London BBC World Service in English 1515 GMT 6 Mar 87

[From "Focus on Africa" program]

[Text] On Monday this week, Zimbabwe's Information Minister Nathan Shamuyarira said on this program that plans were afoot to legislate the white opposition Conservative Alliance of Zimbabwe, CAZ, out of parliament by the end of the year. He complained that the CAZ leader, Ian Smith, former prime minister of Rhodesia, had persistently made what amounted to subversive comments abroad about Prime Minister Robert Mugabe's government. In Harare, Caroline Allen asked the CAZ acting vice president, Mark Patridge, how he reacted to the threat against his party.

[Begin recording] [Patridge] Our immediate reaction is one of surprise that he should refer only to the CAZ seats. This would be quite unconstitutional to do away with only those seats represented by a party that is organized and is not [3-second break in transmission] in its overall philosophy. We certainly support government (?so long as they) introduce something practical and sensible. This must be either a misreporting or the minister had a slip of the tongue. I presume that he referred to all the white seats. Frankly, this attitude on the part of government is, I believe and our party believes, very shortsighted. It is always difficult to determine what sort of representation to give to minority groups in a plural society, but [word indistinct] the government encourage their participation and provide for their participation. This, I believe, is the correct path and government is following the wrong one.

[Allen] If the white roll is abolished, do you think that the CAZ has a part to play in the political life of Zimbabwe?

[Partridge] Yes, I believe that all organizations [word indistinct] likeminded people have a role to play in the future of this country. Of course, this depends on government legislation for a one-party state. If this legislation, as it would have to do, makes it invalid for people to group together with a common pursuit in politics and this is under the (?orders) of a single party, then of course, there would be no part for us to play because of two things: the enforcement of the law prohibiting us to act as we would wish and secondly the fact that our members are opposed to the communist ideology which this government represents. We believe in a free enterprise economy and democratic rights. [end recording]

ZIMBABWE

PAPER NOTES BEIRA RAILWAY, PORT IMBALANCE

MB061958 Johannesburg SAPA in English 1621 GMT 6 Mar 87

[Text] Harare, 6 March, SAPA--The Mutare-Beira railway lines carrying capacity now far exceeds the Beira port's handling capacity because of the rapid rate of rehabilitation work by the National Railway of Zimbabwe, THE FINANCIAL GAZETTE reports.

ZIANA, the semi-official news agency, quotes THE GAZETTE's latest issue saying the imbalance between the capacity of the railway line and of the port will increase in May when the line becomes fully operational.

The line is presently capable of carrying 700 net tons a day and this is expected to increase dramatically to 3500 net tons in May.

An executive in the freight forwarding business told THE GAZETTE that rehabilitation of the Mutare-Beira line had been to a standard that should last for at least 10 years if it is well maintained.

This was one of the factors which the ports success depended on.

However, the port needed to be improved, which would take much longer, because four of the quays needed to be constructed.

Finally, the port's shipping links needed to be established.

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CSO: 3400/252

MILLING COMPANIES TO INCREASE MEALIE-MEAL PRODUCTION

MB161057 Johannesburg SAPA in English 0902 GMT 16 Mar 87

[Text] Harare 16 March SAPA--Zimbabwe's milling companies are gearing themselves for an increased production of mealie-meal with the impending drought threatening most of the country's communal lands, ZIANA, the semi-official news agency reports.

Mr Keith Watt, president of the Miller's Association of Zimbabwe said today milling companies were operating under capacity because of the bumper maize harvest experiences by both commercial and communal farmers in the past 3 years.

We have a lot of capacity and I do not think we are going to have any problems in meeting any increase in demand, said Mr Watt.

The latest report from Agritex states that Matabeleland, Midlands, Masvingo and Mashonaland West Provinces have suffered widespread maize-crop failures.

Some villagers from these areas have reported that their maize stocks from previous harvests will not see them through the drought period and will therefore have no choice but to buy mealie-meal from retailers.

Mr Watt also said lack of grazing pastures in sun-scorched areas is likely to push up demand for stockfeeds.

Again, he said, milling companies were ready to meet any increase in the demand for stockfeeds.

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CSO: 3400/252

VLOK COMMENTS ON POLICE CONVICTIONS FOR ASSAULT

MB061621 Johannesburg SAPA in English 1618 GMT 6 Mar 87

[Text] House of Assembly, 6 March SAPA--Twenty-five of the 19 policemen convicted of common assault last year had previous convictions for assault, according to figures released today by the minister of law and order, Mr Adriaan Vlok.

Replying in writing to a question from Mr Jan Van Eck (PFP Claremont), he said 35 policemen were convicted last year of assault with intent to do grievous bodily harm, of whom 2 had previous convictions for assault.

Ten were convicted of culpable homicide, of whom 1 had a previous conviction for assault, and 8 of murder, of whom 1 had a previous conviction for assault and 1 for armed robbery.

"The member was charged with armed robbery, suspended from duty, convicted and sentenced," said Mr Vlok.

"He was released on bail pending appeal against his conviction and sentence. Before the result of the appeal was known, he was charged with alleged murder."

This "murder charge" was included in the figure for policemen convicted of murder, he said.

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CSO: 3400/254

GOVERNMENT CONSIDERING NEW POLITICAL STRUCTURE FOR BORDER AREA

MB100514 Johannesburg SAPA in English 2257 GMT 9 Mar 87

[Text] East London, 9 March SAPA--The South African Governemnt is considering a new structure of government for the border area which will be able to transcend political boundaries to work directly with Ciskei and Transkei.

The plan, being considered by the Department of Constitutional Development, was revealed in East London today by the greater East London Coordinating Committee which devised it.

The plan entails having a South African cabinet minister with direct executive responsibility for the border area.

Details were released by the committee chairman, Mr Errol Spring, and the plans two coauthors, the MP for East London City, Mr Peet de Pontes, and the chairman of the Constitutional Development Sub-committee, Mr Allister Lightbody.

It was formulated because of problems experienced by local authorities as well as other bodies being unable to negotiate with Ciskei or Transkei because all negotiations with the national states must be done through Pretoria's Department of Foreign Affairs in terms of protocol.

Mr de Pontes said the new regional management structure had already been discussed with Ciskei President Cheif Lennox Sebe, who had welcomed it in principle.

Mr de Pontes emphasised that the plan would be supplementary and not a replacement of the existing government structures.

The proposed regional management structure envisaged a regional functionary in the form of a cabinet minister, a small permanent secretariat to assist him administratively with his coordinating, monitoring and adivsory functions, and an advisory committee.

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CSO: 3400/254

INTEGRATION PROCESS REVERSING THANKS TO HNP

Pretoria DIE AFRIKANER in Afrikaans 4 Feb 87 p 4

["Perspective" column by Gawie: "The Integration Pendulum Is Swinging Slowly Back"]

[Text] Opposition to the resolutions of the NG Church's General Synod is increasing; city councils are refusing to open up white movie houses to all races; an Indian member of parliament is refused entrance to a restaurant at Melkbos Beach and the women's unit of the navy is called upon by the government to segregate after obvious pressure. These were some of the news headlines this past week; entirely the opposite of what readers had to put up with for so long. Formerly it was an almost continuous tidal wave of openings, "changes" and "reforms." Not one sphere of life was passed over without an attempt to get a brand-new South African set of values established. In looking back, a new perspective can now be obtained about the methods which have been used to intimidate people into accepting this new set of values. False alternatives like "reform" or revolution--whereas the two actually go hand-in-hand--are proffered, and racial separation has been declared a curse word even by those who ought to know better.

Besides the propagation of the new set of values, the new subculture had to be declared separate with an almost sectarian indecency. For this the HNP was picked out for defamation and victimization. HNP supporters will acknowledge today that during the seventies an almost political loneliness sometimes set in among those who kept on sticking firmly to the policy of separate development, so successful was the leftist campaign against it. The proponents of integration often appeared almost unstoppable on the road to victory, and the proponents of separation a small group with no real power in society. A reversal of this process seemed highly improbable to say the least.

Occurrences like the above-mentioned give the impression that the pendulum is near its turning point and may soon start to move back. This raises interesting questions: have the integration zealots failed in their attempts to get a wholly new set of values established within the short time? Why should so many people first accept integration and now rebel against it again? Who is going to be the winner in this fight for the mind of the white man in South Africa? An ever more credible conclusion is that the great majority of

whites in South Africa were never won over to a totally new idea of equality. They kept on voting for the NP for a whole number of other reasons, the most important of which was probably that they believed the party would in fact not go ahead with integration. The underhanded Vorster policy of the seventies was such an effective ruse that people just could not recognize the error. Another reason was of course that many people hoped that a little integration would not do any harm and would diminish domestic and foreign pressure. They had to first themselves see how mixing snowballs and how it actually contributes to intensifying pressure against the whites in order to realize that it was a fruitless and dangerous experiment.

It must not be forgotten in this connection that many whites have come face to face with the nastiness of racial integration, especially in recent years. People who would probably have described themselves as "moderate" have in many cases recoiled from this, especially in the social sphere. In the meantime a significant group of academics, politicians and clergymen began to firmly believe that the Afrikaner had finally been weaned from his historical roots, from his established norms. That is also why earlier outside ideas, which were previously only carried forth by detribalized persons, were rashly grafted onto the Afrikaner establishment. In this connection, all honor [goes to] the HNP's leaders who continually believed the Afrikaner had not undergone any essential change in character. That is also why they continued the political struggle in the face of the strongest conceivable opposition. Many ordinary Afrikaners, however, sank into despondency in that process, because it appeared as if a large part of the Afrikaner people had fallen permanently into political dormancy. But a people are not like a weathercock; it takes time before they clearly recognize false policy directions and dislodge false leaders. Although the national Afrikaners do not yet form a majority, the signs are unmistakably there that the Afrikaner is surely regaining his political equilibrium. The past 20 years have been a valuable political schooling for him and it is going to be more and more difficult to mislead him with nonsense politics about "change" which is desirable or necessary, "reform" in the face of revolution or detente vis-a-vis African countries. The Afrikaner has looked at "reform" through a half-opened door and seen how unacceptable it is.

The broad stream of Afrikaners who are now starting to move are eventually going to exclude the integration zealots out of national management and again confine them to isolated posts at several universities or hidden in the church. This observer is convinced that the fight for the mind of the Afrikaner will be won by the Afrikaner nationalist, although the ascent to victory is still very steep. Those who wanted to make Afrikaner nationalism a subculture are eventually going to have this fate fall upon themselves.

13084

CSO: 3401/90

HNP, CP CONSIDERED AS FAR APART AS EVER

Pretoria DIE AFRIKANER in Afrikaans 4 Feb 87 p 4

[Editorial: "The HNP and The CP"]

[Text] Appearing in this edition are reports on what the leader of the HNP said at a public meeting about the relationship between the HNP and CP and what Dr A.P. Treurnicht said about that in a TV interview on the Network program. In the case of Mr Marais, the main emphasis was on the extremely critical political situation in which our people find themselves and the need for a merger of forces of the parties in the coming election. He outlined how the HNP had waged the struggle for years until the wall was breached in the elections of 1979 and 1981. He said the HNP expects recognition for that. He also said again that the HNP is striving for unification, but unification in an organic way, not a mechanical way. Unification of the two parties is in any case quite impossible in the short time before the expected general election, and a united front in which candidates of the two parties do not oppose each other is the only meaningful action.

Dr Treurnicht, on the other hand, did not refer to the critical political situation of the white people in his TV speech and nowhere in the interview mentioned the need for harmoniousness in the election. Instead, in his case, it was a merely party politics approach; namely that one party (the CP) cannot let another party (the HNP) become strong by an agreement of cooperation. This left the impression of a party leadership which is aimed at internal fights and does not realize or does not want to acknowledge the real seriousness of the matter. Moreover, Dr Treurnicht said the disconcerting thing that the determination of relations between the the parties is "a game." A game differs only in degree from a joke, and it is a distressing thought that in this hour of crisis for our people there is a leader for whom the merger of forces is a game. A game is being played, and at a time like this there is no time nor place for such things. A game can also be a show in which reality is imitated. That is also out of place here.

Dr Treurnicht refers to an alleged statement by Mr Marais that the HNP supposedly regarded the victory in Sasolburg as a fact which would give the HNP bargaining power against the CP. There is doubt about the accuracy of the assertion, but even if it had been said approximately, the consideration does not differ in any way from what was said by CP leaders. When the CP was

founded, for example, CP leaders gave to understand that they would be in a strong bargaining position against the HNP because Dr Connie Mulder's NKP and the AET had linked up with the CP. The HNP's support to the CP in the provincial by-election in Potgietersrus also gave the CP bargaining power against the National Party. The fact that Dr Treurnicht was tied to such a subordinate assertion is not only an expression of a lack of weighty arguments, but also a revelation of a feeling of being threatened. Why would he think that the HNP's bargaining power is such an important matter? Why would he think that cooperation between the parties would make the HNP strong, apparently to the CP's disadvantage? If the parties worked together, the CP would have full opportunity to strengthen its position as much as the potential existed for that. And nothing that the HNP could do would be able to prevent that if the CP has the inherent qualities to become ever stronger beside the HNP. The expectations ought to be that the CP, with an advantage in numbers, would more and more overshadow the HNP, and that the HNP would languish while the CP grows. That is a logical anticipation. Why does Dr Treurnicht fear that this would not happen and that the HNP would grow stronger in a cooperative arrangement? This reasoning by Dr Treurnicht discloses that he is concerned about the existence and future of the CP and that his idea of a hasty merger of the two parties is seated in that concern. Does he see in cooperation the expedient to prevent the HNP from continuing to exist and growing stronger before an organic unification, such as Mr Marais is striving for?

Dr Treurnicht should not be offended by anyone who deduces from his behavior and statements that he is less concerned about the future of the white people than about his party's bargaining power against the HNP. He should not be offended by anyone who first of all regards his insistence on a sudden merger, with disregard for differences between the two parties, as an attempt to dominate and drive out the HNP and not as a means toward more effectively fighting against the government. To still insist on unification of the two parties at this late stage before a general election is to play with a people's distress.

13084
CSO: 3401/90

HNP, PFP, NP OFFICIALS DISCUSS GROUP RELATIONS

MB130830 Johannesburg Television Service in Afrikaans 1830 GMT 11 Mar 87

[Report on interview with Louis Stofberg, HNP MP for Sasolburg; Douglas Gibson, PFP leader in the Transvaal; and F.W. de Klerk, NP leader in the Transvaal, by unidentified reporters on the "Network" program, introduced by Kolie van Killer; videorecorded passages in quotation marks]

[Text] [Van Koller] In tonight's election rubric we focus on the Issue of relations among population groups. Our political editorial staff interviewed representatives of the Herstigte Nasionale Party, the Progressive Federal Party, and the National Party to ascertain their stands on relations.

[Stofberg] We are actually not talking about group relations; we are talking about relations between races and nations. And we think at the moment relations are not what they should be. This is the result of the past years' attempts at dismantling the strong dividing lines which ought to be drawn between the races and nations, without which no order, stability, peace, or good relations can exist in South Africa.

[Reporter] Now, how would you like to change the situation?"

[Stofberg] We would, if we come to power, definitely inculcate this feeling in each nation, each identifiable and full-fledged black group--and coloreds if they want--and in the white group so that they can develop the highest degree of self-government and independence in their own fatherland or homeland, whatever the case may be. And as far as the association is concerned with respect to access to their areas, clearer lines should be drawn between races to ensure that there is order, stability, and peace in South Africa. We believe this is possible if there is a clear understanding by all people of differences and of the dividing lines; that in our judgment brings greater stability, peace, and order to South Africa, and progress just like that of past years but which is definitely not the case at the moment.

[Reporter] When you talk of division with respect to association, does it mean that you would not want black people to come into white areas when conducting daily activities?

[Stofberg] No, daily activities are entirely acceptable. However, the abolition of group areas is the danger--mixed sports, school sports, as seen in the case of the Menlo Park High School--that is unacceptable. If that happens then there will be trouble. That's why we believe that dividing lines will bring order and will heighten awareness of where everyone stands in relation to everyone else. Then there is no confusion, no dismantling of natural divisions or boundaries which exist between races and nations.

[Gibson] My opinion is that group relations in South Africa are surprisingly good, notwithstanding 40 years of apartheid and overemphasis on the difference between us. Ordinary South Africans, surprisingly, still understand each other very well. Visitors to South Africa can hardly believe that in our houses, offices, shops, and private schools ordinary South Africans from various racial, language, and color groups are treating each other as fellow citizens. The marvelous uniqueness of South Africa lies in the fact that it has such huge variety of people. This variety of language and color groups is not weakness in South Africa; it is one of the riches of this country. And what we have to do is to use this asset to build a new future. We in the PFP believe that there should not be an overemphasis of differences between us. We should rather look for the things we have in common--our common Christianity, our mutual humanity, our mutual South Africanness--these are the important issues. This should be emphasized in the future, and it is along that road, the road of understanding, that we can establish a new South Africa.

[De Klerk] I think group relations are very unsatisfactory. We have, in a sense, reached a crisis point in our development in South Africa. It is time for a real debate on the issue of group relations. During the election I hope that the air will be cleared in white politics so that the voters can issue a clear mandate on what they would like regarding group relations. The National Party's standpoint is clear on this. We maintain that there can only be good group relations on the basis of acknowledgement of each group, while providing and assuring opportunities and full development to each group.

Eventually, there must be understanding on how various groups can cooperate on issues of common interest. That's our aim. We are seeking a mandate which will enable us to lend new impetus to the promotion of good group relations, and what is to be done in the future. What do you think should be done to improve group relations in South Africa?

[De Klerk] In the first instance, we should put to rest the idea that the National Party is still in favor of continuing domination over the groups in this debate. We are honest when we say that we are not prepared to have others dominate us but that we want to put an end to dominating others, and we also want to give others a chance to participate, from within their own power framework, with us on the basis of no domination by any one group in the decisionmaking in South Africa. And we are looking for a way to break through the hearts and minds of people to convince them that the salvation of South Africa lies on this path. We want to give each group, each identifiable entity, community, nation, population group--whatever your definition may be of a group--proper security so they will not be afraid, extending a hand to each other and cooperating for the sake of common values which we share standing against the tremendous threat facing South Africa in the form of a revolutionary onslaught.

OFFICIALS DISCUSS REVOLUTIONARY CLIMATE

MB130958 Johannesburg Television Service in Afrikaans 1830 GMT 11 Mar 87

[Interview with South African Deputy Minister of Law and Order, Roelf Meyer, and Dr Kobus Neethling, director of research for the Bureau for Information, by Kolie Van Koller, on the Network: program--live]

[Text] [Van Koller] Good evening and welcome to Mr Roelf Meyer, deputy minister of law and order, and Dr Kobus Neethling, director of research at the Bureau for Information. Mr Meyer, Law and Order Minister Vlok said last night that the country is in the midst of the most serious revolutionary situations in its history, yet the Bureau for Information tells us there has been a decline in the incidence of unrest incidents. What is the real position?

[Meyer] It is true that public violence has dropped. This has been confirmed by the figures, and we are grateful for that. I think it proves to the public that the state of emergency was effective in combating public violence and unrest. At the same time, it is clear that the whole phenomenon of unrest has become more sophisticated. It is clear that the revolutionaries have in a sense changed to more sophisticated methods such as, the politicization of the masses by means of propaganda, and the like...

[Van Koller, interrupting] Is that underground?

[Meyer] Yes, much of it is underground, but it also takes place publicly, in ways that cannot be measured, unlike unrest in the form of violence, or establishing alternative structures in the townships. In other words, the unrest climate is still present. All our analyses indicate that the revolutionaries are still busy trying to politicize the people in the black residential areas.

[Van Koller] Okay. Dr Neethling, can one really translate this situation into statistics and accept that as accurate?

[Neethling] One could not be totally certain, I grant you. I would say that the visible unrest which we have been discussing, that kind of unrest can be measured reasonably accurately, because there one is dealing with physical actions. I mean, one can see when somebody picks up a petrol bomb and throws it. One can see when people are injured. You can actually count the number of people who are injured. That is measurable, very much so. But, as the

deputy minister said, these other underground activities are difficult to measure. In a sense, though, one can assess the situation by visiting the residential areas, talking to people, and conducting opinion polls. By using various approaches, one can establish what the real situation is.

[Van Koller] Mr Meyer, the unrest began in September 1984. Have you yet discovered what the causes were?

[Meyer] I think one has to qualify that statement. The present wave of unrest began in September 1984. But unrest is not a new phenomenon. We saw it in 1976, in 1980. Since 1984 it has been comparatively continuous. The point I want to make is that when one analyzes all this, it is clear that in September 1984 the government was already embarked on a program of broadening democracy in South Africa, with the establishment of the tricameral parliament. The unrest which started then is well known. Grievances were exploited at the very time government was expanding democracy. But the radicals exploited the situation and instigated violence in order to derail the reform process and prevent reform from proceeding. So the pattern of the last 2 and 1/2 years is linked to the changes which have been introduced in this country. Let me make an analogy. We have two paths in [which] South Africans are moving, including the government and all populations groups, intent on progressing at all levels, that of the revolutionaries, whose objective it is to disrupt everything positive in the evolutionary process. That is why the revolutionaries started using unrest and public violence. And having seen they are not having the same degree of success they were having through public violence, they are turning to other activities, all aimed at stimulating their revolutionary activities. But I think we must bear in mind that we have, on the one hand, an evolutionary program with which we must continue relentlessly. At the same time we have a revolutionary struggle by the radicals, people and elements inside and outside South Africa, whom we must fight against, just as relentlessly. That is why we still need the state of emergency.

[Van Koller] What are the characteristics of the unrest to date, Dr Neethling?

[Neethling] Utter violence, people dying, people maimed. One thinks of 154 people who were killed in May last year, (?161) in June. People were killed. Hundreds, thousands of unrest incidents, in which buildings were burned down or damaged. As you know, to date more than 9,000 buses, or rather, over 8,000 buses have been damaged, and more than 9,000 houses burned or damaged. One must also realize that these things lead to a weakened economy, because these have to be rebuilt. Intimidation. School attendance suffered. I could add so many more examples of the characteristics of the unrest which, as the minister said, is continuing underground to a certain degree.

[Van Koller] As a white, one is not really aware of the state of emergency, but I believe that from the black point of view, things are very different, not so, Mr Meyer?

[Meyer] Yes, that is true. It is indeed something which whites are not aware of, the incidence of deaths, of injuries, of intimidation. Intimidation is a factor which is very strongly evident in black residential areas. Also damage

to property, attacks on the security forces, all these are ever present in black areas. I believe one thing we must achieve is making life safer for blacks in black residential areas.

[Van Koller] Are we succeeding in that?

[Meyer] I think the unrest figures show some people are now enjoying a greater degree of freedom of movement. I don't doubt that blacks are today moving about more safely. They can conduct their business more safely. The matter of boycotts of shops which was so common 1 year or 18 months ago is no longer so much in evidence. In other words, blacks are now free to purchase where they wish. They don't need to hide their groceries or hard-earned money any more. All these are things we have succeeded in suppressing, these things the radicals were doing, and to which the general black population were exposed.

[Van Koller] Your figures show a tremendous reduction in unrest related incidents, from more than 3,000 in June last year to fewer than 300 last month. This makes one want to ask: Why is the state of emergency still necessary? Couldn't it be lifted?

[Neethling] I want to repeat what I said. We are faced with two levels of unrest. The visible unrest has dropped. The level of unrest which indicates that there is violence, chaos, which causes people to stop visiting South Africa is determined by those things--these have decreased. It was very important that they did decrease. But our figures, investigations research, discussions with people, all these indicate to us--and let me just say here that, incidentally, one of the positive results has been that we can now speak to blacks much more openly, more easily, during our research, than was the case in the past....

[Van Koller, interrupting] To what would you ascribe that?

[Neethling] I think they feel more safe. They feel much safer than they did a year ago. There is still fear, no doubt about that. But they are definitely feeling safer, they feel freer when talking to us when we come with our questions. These discussions, these questions, moving around among the people, indicate to us that emergency measures are still necessary to maintain this stable situation. I believe that--and I am not speaking as a politician--all these figures, the research, show that without the emergency measures, this stability will not be maintained.

[Van Koller] Thank you, Dr Neethling. Mr Meyer, let me end with you. Just tell me, yesterday and this morning advertisements appeared in the newspapers claiming that 25,000 people have been detained since the state of emergency was imposed, of which 10,000 are children and 3,500 are women. Are these figures correct? Do they correspond with yours.

[Meyer] No, they do not correspond with our figures, some of the figures which Minister Vlok tabled in parliament--figures which, if I remember, show just under 4,000 were held for more than 30 days. The figures in these advertisements are totally different from our figures. But then some people may say: Well, 4,000 or 3,000 it is still too high. The point here is, let us ask ourselves

whether the detention of 3,000 or 4,000 people--and let me add here that the figures for children under the age of 15 years which was tabled in parliament was about 260, not the 5,000 as given in the advertisements...

[Van Koller, interrupting] What is your definition of a child? Under 15 years?

[Meyer] Not necessarily, but here we are speaking about young children, and first we take those of a very tender age, 15 or under. That does not mean that children over 15 are not children, but that is the group we were speaking about. To return to my point, let us say there are 3,000 or 4,000. People may ask whether they ought to be in detention. I say that is necessary if it is for the sake of providing greater freedom to millions of South Africans. And one thing the state of emergency ensures at present is that we are able to remove instigators from the community, for the sake [of] a greater freedom, freedom of movement, more peace in black communities.

[Van Koller] Mr Meyer, Dr Neethling, thank you both for joining us.

/12232

CSO: 3400/254

INVESTIGATIONS INTO FUNDING OF ANTIAPARTHEID GROUPS DENIED

MB161346 Johannesburg SAPA in English 1344 GMT 16 Mar 87

[Text] Pretoria, 16 March, SAPA--Allegations that the foreign funding of all so-called "anti-apartheid bodies" was being inspected by government, were denied today by the director of the Directorate of Fund Raising [DFR], Mr J.C. Visser.

According to the reports, inspectors of the DFR, a directorate of the Department of National Health and Population Development, have in recent weeks visited some of the key figures and organisations which have emerged during the Munnik Commission of inquiry into the funding of the United Democratic Front's "unban the ANC" advertisements.

Mr Visser is quoted in one report as confirming the inspections of the peace and justice foundation of Dr Allan Boesak, one of the UDF's leaders, and the UDF itself.

In another report, he is reported to have said the inspections were "coincidental" and the DFR's inquiries were totally separate from the Munnik inquiry.

The DFR's functions, in terms of the Fund-Raising Act of 1978, is to control the collection of contributions from the public.

Contributions received or obtained from foreign sources also fall within the gambit of the legislation.

The directorate has the right to instigate an investigation, with ministerial approval, if it has reason to believe the act has been contravened, or if it is deemed necessary to determine it is being complied with, or if it has reasons to believe "any irregularity or undesirable" practice has occurred.

Where contraventions are established the matter may be referred to the police and the public prosecutor or attorney general.

Mr Visser said "names or organisations or persons inspected are for obvious reasons confidential and cannot be supplied."

The United Democratic Front was declared an "affected" organisation last year by official proclamation, in terms of which its foreign funding is restricted and subject to government scrutiny.

BRIEFS

POLICE FORCE VACANCIES--House of Assembly, 6 March SAPA--There were 4,142 vacancies in the police as of 31 January this year, the minister of law and order, Mr Adriaan Vlok, said today in written reply to a question from Mr Tiaan Van der Merwe (PFP Green Point). A total of 1,651 policemen resigned last year, he said. [Text] [Johannesburg SAPA in English 1535 GMT 6 Mar 87 MB] /12232

POLICE DEATHS REPORTED--House of Assembly, 6 March, SAPA--Thirteen policemen were killed and 105 injured in unrest from 13 June 1986 to 5 February this year, the minister of law and order, Mr Adriaan Vlok, said today in written reply to a question from Mr Jan Van Eck (PFP Claremont). Mr Vlok said he did not regard it as being in the interest of the public to say how many people had been killed and injured by the police or by other people under the current state of emergency, or to say how many had been detained. The information requested was "of such a nature that the ANC and other enemies will abuse it to the detriment of the country." [Text] [Johannesburg SAPA in English 1417 GMT 6 Mar 87 MB] /12232

POLICE INVESTIGATING CHILD TORTURE--Pretoria, 9 March, SAPA--Police would institute charges if this appeared necessary from the investigation into allegations of police torture of children in detention, a police spokesman said today. Police Commissioner General Johan Coetzee said in a statement that he had instructed a senior officer to investigate every aspect of a World Council of Churches newsletter released in Harare and dealing with brutality and the detention of children. The newsletter reportedly based its information on a Detainees Parents Support Committee [DPSC] dossier. Gen Coetzee said: "The DPSC will be asked to identify the specific children involved and supply all the relevant facts which will enable the police to fully investigate the authenticity of these allegations." [Text] [Johannesburg SAPA in English 1533 GMT 9 Mar 87 MB] /12232

ILLEGAL IMMIGRANTS FIGURES--The minister of law and order, Mr Adriaan Vlok, says that 19,966 people who were detained as suspected illegal immigrants last year had admitted that they had entered the country illegally. Mr Vlok said in a written reply to a question in the House of Assembly that they had come from Turkey, Swaziland, Mozambique, Zimbabwe, Botswana, Transkei, Lesotho, Germany, Portugal, Bophuthatswana, Malawi, and Zambia. He said that 17,675 of the illegal immigrants had admitted immediately they had been detained that they had entered the country illegally, and most of the others had been detained from

between 2 and 7 days. Eight had been detained for between 8 and 14 days, and 2 for 30 days. Mr Vlok also announced that almost 640 illegal immigrants and just over 680 prohibited people had been detained at police stations in the country on 27 February, and that their detention had lasted for between 1 and 240 days. [Text] [Johannesburg Domestic Service in English 1600 GMT 9 Mar 87 MB] /12232

HEUNIS OPTIMISTIC OF SANCTIONS--Bellville, 17 March, SAPA--South Africa would triumph over the sanctions campaign, the minister of constitutional development and planning, Mr Chris Heunis, said tonight. Addressing an election meeting in Bellville, he said the country had beaten the arms and oil embargoes and was now exporting arms. "We are going to beat the sanctions. We have no reason to be pessimistic. We can have confidence in our people and our leaders." Mr Heunis, also the Cape leader of the NP, said he had told a foreign representative today that he did not accept the morality of sanctions and that the world was dependent on South Africa. "One thing must be understood--no power, however great, will dictate to this country how it will arrange its affairs. Any solutions will have to be worked out by South Africans for South Africans." [Text] [Johannesburg SAPA in English 0134 GMT 18 Mar 87 MB] /12232

CSO: 3400/254

BRIEFS

BOPHUTHATSWANA REMOVES NOOITGEDACHT RESIDENTS--The people from Nooitgedacht, a farm in Bophuthatswana across the way from Mobopane, seem to have become the latest victims of the homeland system and the removals associated with it. Tsebe and Shibambo, the two settlements on the farm, are home to about 1 400 families of various ethnic groups, including a few Tswanas. The townships look out over two entertainment centres which are under construction close to Mabopane--a new Sun International hotel and a soccer stadium. But the Nooitgedacht residents might not see the latest pleasure domes. For, after having lived there for more than 20 years, they are being systematically "removed" by the Bophuthatswana government, says Robert Nkutha, a Tsebe resident. However, nobody appears to have told the residents of Tsebe and Shibambo why they have to move or where they should move to. In 1983 they were ordered by the farm owner to leave the area, says Nkutha. The farmer said he was following orders from Mafikeng. But when the residents inquired at Mafikeng, they were told that a commission of inquiry was investigating the matter. [Text][Johannesburg FINANCIAL MAIL in English 20 Feb 87 p 56] /12828

PMGS TO BE MINED IN BOPHUTHATSWANA--Lefkochrysos may be all Greek to many people--but it could mean jobs for 2000 Bophuthatswana citizens. Golden Dumps says a company named Lefkochrysos (white gold) will be formed to mine platinum group metals (PGMs) in two lease areas near Brits. Chairman Loucas Pouroulis may be a trifle extravagant in expecting to get the mine into full production by mid-1989. This would mean that he would be considerably ahead of Gold Fields of SA's Northam mine which will start up in 1991. But the formidable task of putting the project together in such a short time should stay immediate rejoicing in the shebeens. Golden Dumps director Richard Johnson says the expected capital cost will be R200-million, including a base-mineral refinery and PGM refinery near Johannesburg. Some experts seem to think that the cost will be considerably more. The plan is to start mining the UG2 reef from close to surface--the advantage is that it is a cheap way of getting started, but it could produce metallurgical problems. Another aspect to be contended with is the faulted ground. The southern lease area is bounded by two major faults and although several boreholes have been sunk it remains to be established how much secondary fault is present. The north-western lease area is a different kettle of fish. The Merensky Reef, which dips to the north, is believed to lie between 1 000 and 2 000 metres below surfaces. Mr Johnson estimates the total possible reserves of the area at more than 400-million tons of Merensky and UG2 reef. At a

production rate of 100 000 tons a year this works out at a 400-year life. But with the drilling programme still incomplete it is idle speculation that a larger mine might eventually develop. [Text][Johannesburg SUNDAY TIMES (Business) in English 22 Feb 87 p 13]/12828

CSO: 3400/266

RSA FOUNDATION U.S. DIRECTOR SEES WAY TO END SANCTIONS

MB171317 Johannesburg SAPA in English 1315 GMT 17 Mar 87

[Text] Cape Town, 17 March, SAPA--The four overseas directors of the South Africa Foundation said at Stellenbosch yesterday attitudes abroad towards this country could change almost overnight with "really impressive and imaginative" steps to reform.

Mr John Chettle, outgoing Washington director, said SA could immediately regain nearly R2 billion in exports to the United States alone by aiming at the "goal-posts" the Americans had, for the first time, put in place.

He was speaking at the directors' annual report-black meeting to Cape trustees of the foundation.

It was attended by the new president of the organisation, Mr Lem Abrahamse, and the recently appointed director-general, Mr Kurt von Schirmding, SA's former ambassador to the United Nations.

Mr Chettle, who is leaving the SA Foundation at the end of this month to join a law firm in Washington said: "We could take advantage of one fundamental mistake made by those proposing sanctions.

In fact, we could get rid of all the sanctions dramatically--at one stroke.

"And we could do so by taking the initiative to make reforms which we know are necessary if we are ever to build a peaceful, just and prosperous society.

"The mistake our opponents made was to lay down the conditions which would end sanctions.

"For the first time, they have the goal-posts in place."

"They said sanctions could be totally scrapped if we did five things;

--"Repeal the state of emergency

--"Release Mr Nelson Mandela and other political detainees

--"Scrap the Group Areas Act and the Population Registration Act

--"Unban the ANC (African National Congress) and other political parties.

--"Begin good-faith negotiations with black leaders, for a new constitution."

Mr Chettle said: "Now most of this is old hat.

"South Africans have thought more deeply about these points than anyone else, and most would agree that these steps are necessary.

"If you examine those requirements item by item, you may well be struck by how many of them are agreed on--even by senior members of the government.

"The state president himself has on one occasion ended the state of emergency, and has said it is his objective to end it altogether."

Mr Chettle said "a substantial number" of cabinet ministers probably supported Mandela's release, and a President's Council committee had recommended major changes to the Group Areas Act.

"There is absolutely nothing in this programme which we cannot do--nothing indeed that is not already supported, often at the high level."

Mr Chettle added that by meeting these five requirements "we would provide so important a sign of our goodwill that it would be almost impossible for our opponents to set new goal-posts."

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CSO: 3400/251

PFP SAYS CREATION OF REFORM ALLIANCE POSSIBLE

MB101213 Johannesburg SAPA in English 1207 GMT 10 Mar 87

[Text] Johannesburg, 10 March, SAPA--A moderate alliance government would replace the National Party government by 1989 when the next general election is scheduled to take place, the Progressive Federal Party said today.

At the launch of its policy platform for the 6 May election, which the PFP will fight under the banner "It is time for change, we need a new government," Mr Ken Andrew, chairman of the Federal Executive, said today the process of forming an alliance was already in motion.

The way in which the government would be ousted was through the banding together of reform-minded moderates. The PFP was putting South Africa first and not running for the party's glorification.

"We will build an alternative government through an alliance of moderate South Africans who want an apartheid-free South Africa."

Standing back for independent candidates and sharing an election strategy with the new Republic Party [NRP] was part of the process of the alliance.

He said although forecasting was difficult, it was certain that reform-minded candidates would win between 40 to 50 seats in the 6 May election.

Events in the political arena of the past 2 months had "concertined" [as received] the time scale of change taking place, he said.

"I have no doubt the government will be out of power within 3 years."

Mr Andrew, MP for Gardens, said there were two processes in moving towards an alternative government. The first was to convince people the government could be changed through pressure. The second was to pressurise the government.

There was evidence that people who had until now supported PFP policy but had not voted for it had done so because of their belief that the government could not be ousted.

"It is because of who the government is and of the role the PFP, the NRP and extra-parliamentary actions have had in pressurising the government that people now see the government is not invisible."

There was evidence from several constituencies previously not considered to be marginal, that unprecedented enthusiasm for the PFP was growing.

"I believe Tukkies (University of Pretoria) students are pitching up to help the PFP campaign in Waterkloof, not that I ever considered we would loose in that seat."

The key issue was getting people to accept that ridding South Africa of apartheid laws was a prerequisite.

The white election was being recognised, even by extra-parliamentary bodies who were committed to non-violent change, Mr Andrew sais.

"The possibility of bringing about change through parliament and via the normal constitutional process now looks more optimistic than ever."

It has already been shown through independent research done in January this year in 14 NP-held constituencies and two PFP seats won on small margins in 1981, that white voters supported PFP policy in that they:

--Favoured negotiation with genuine black leaders to take place as soon as possible.

--Stood for the speediest removal of forced racial separation as ensconsed in the Group Areas Act.

--Believed the government's racial policies were to blame for the country's economic mess, and

--Power should be given more to local communities and less to the government.

The strategy to build a new government, which was released by the PFP last August, had progressed faster than was imagined, Mr Andrew said.

That new government would systematically remove all apartheid laws, negotiate a "truly democratic" constitution, bring about stability through racial harmony and address several social and economic problems through economic growth.

"The PFP cares for all the people of this country and is committed to unite all our people as citizens of South Africa," Mr Andrew said.

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CSO: 3400/251

EGLIN ON PFP MANIFESTO, STRATEGY

MB131435 Johannesburg Television Service in English 1830 GMT 12 Mar 87

[Interview with PFP leader Colin Eglin by Freek Robinson on the "Network" program, introduced by John Bishop--live]

[Text] [Bishop] The Progressive Federal Party earlier this week released its manifesto which spells out policies on which that party will contest the 6 May elections. Freek Robinson interviews PFP leader Mr Colin Eglin on the matter:

[Robinson] Good evening Mr Eglin, welcome to our "Network" studio. Could we start off by asking you to give us a brief outline of your policy manifesto, what you want the voters to know about your policy in this election.

[Eglin] Well, Freek, it is good to be here. Let me start off by saying that we think it's absolutely critical if we are going to have peace and security in this country, that we have to get rid of apartheid, we have to get on with the process of real reform, and we have to negotiate a new constitution, in which all South Africans can participate. That to us is the starting point of security, of stability, and economic prosperity. Once we have got that under way, once we have got rid of the Group Areas Act, once we have got rid of race classification, once we have got the recognized leaders of the South African people together to negotiate, we believe that confidence and stability are going to flow back to South Africa. It's around that confidence, around the stability, that we can start rebuilding our economy, confidence so that money will come back to South Africa, confidence so that people will start investing in our economy, confidence so that people will be put to work again. And having done that we will be able to provide welfare services for the people of South Africa. It is really saying to the South African people: We would like to take them along the high road, high road which starts at reform, which leads to negotiations, from negotiations to stability, from stability to security, to economic prosperity, and to services for all the people of South Africa.

[Robinson] Now let's get practical: What do you want to achieve in this election? Do you want to get rid of the government already in this election? Is that possible?

[Eglin] We want to get on with the process of getting rid of this government. We believe that there are already the signs of a new alliance of moderate South

Africans, who have crossed their own personal Rubicons, who want to get rid of racism as a factor socially, economically, politically. And they want to start restructuring South Africa in a postapartheid society. We see all the signs of this loose alliance of South Africans starting to develop, and we want to use the electoral process as one of the essential building blocks in that new alliance. One can ask whether we are going to get rid of the government. It is like asking the National Party in the 1930's when they were going to get rid of the United Party government. In fact, they started in 1933 and MR Strydom was the only Nationalist member of parliament for the whole of the Transvaal. Five years later, Mr Strydom was the only Nationalist member of parliament for the whole of the Transvaal. Ten years later, an alliance between the National Party and the Afrikaner Party was in power. We do not start from a base of one, we start from a base of 26 elected PFP MP's and 5 elected NRP [New Republic Party]. But quite apart from that, all our own political intuition, all the analyses that we are doing and (?commissioning) points to the fact that the general public, even members of the National Party, are becoming fed up with the government after 39 years. And they really do want change, a change of government. And I think they are prepared for substantial change in the field of race relations. We want to use this election as a very, very important building block for a new alliance which will one day take over from the government.

[Robinson] You said last year that you are aiming for 50 to 55 seats in the next election, but that was before this election was declared. Now what are you aiming at now, to be specific?

[Eglin] Well it is a different phenomenon. We had said that if the PFP could get its act together, get its communication right so we could sell the idea of an alliance over a 2 and 1/2 year period, we could raise the 55 seats. We haven't had the 2 and 1/2 year period, but what has intervened in the short interval is the emergence of what I call an independent factor. Whereas over 2 and 1/2 years we would have got all those people into the PFP, we now have an alliance situation, and I believe that between the PFP and the NRP, who are in some formal alliance, we should at least get 40 to 45 seats. And if things go well, and if this three-cornered contest could break our way, I think that the National Party government is in for a shock on 6 May.

[Robinson] Mr Eglin, I have heard Nationalists saying over the last few days that if a party such as the PFP is so scared of its own policy that it must try to get other people, other parties, to form an alliance, then there cannot be any confidence in that party. You are aligning yourself with independents who are a loose threesome, they do not have a specific policy as of yet. What would you say about that charge?

[Eglin] Well, I will just say that you know the National Party is whistling as it walks past its own graveyard. And if you take alliances, in 1924 the Nationalist Party got into power with a pact with the Labor Party. In 1933, there was an alliance pact between General Hertzog and General Smuts. In 1948, when there was a change of government, there was an alliance between the Gesuiwerde Nasionale Party [Purified National Party] and Mr Havenga's Afrikaaner Party. So alliances in order to change governments have been a regular feature of South African politics. It's got nothing to do with us being afraid of our

policy, not at all. In fact what we see is a gradual acceptance of the essence of our policy. But people take a long time to shift from one institution of politics to the other. And it is certainly my strategy to try to put the general interests of the country before any political party.

[Robinson] Now, still talking about strategy and policies, it seems to me--and please correct if I'm wrong--that I have heard you over the past few days and it seems that you're only talking about strategy and how in the alliance you can do something in the election. But I have never really heard you concentrating on policy itself. So is there a shift in your emphasis? You are trying to reach something in this election and then later go for policy or what?

[Eglin] No, not at all. I thought in answering your opening question I gave you the bones of the policy. I spoke about the high road, starting with reform and ending with prosperity. If you look at our election manifesto, 10 points, nothing to do with strategy. If you look at this little booklet on economic democracy, nothing to do with strategy. If you look at this little booklet, "Constitutional Plans for South Africa," so we spelled it all out. But I think that at every election there is a strategy component and there is a policy component. And we are satisfied that there are independents in the field and the NRP, I think, subsequent to the Indaba, and ourselves, have certain things in common, and that common issue is that we believe that we have to scrap the remnants of apartheid. And that means race classification and the Group Areas Act. And having done that, we have to be prepared to negotiate a new constitution, not on the basis of segments of the society, not on the basis of self-determination for racial groups, and the mumbojumbo that one hears from the National Party. We have to restructure a new constitution on the basis that we are all South Africans. And to that extent, I believe there is common ground in spite of the difference on the fringes of politics.

[Robinson] Mr Eglin, only a few days ago I heard one of your candidates in the eastern Transvaal stating that his policy as a PFP candidate is safeguards for all population groups and also protection for minority groups. Now he seems to be a little bit at variance with the PFP policy and Mr F.W. de Klerk latched onto that at a political meeting. But spell out that charge--political safeguards, safeguards for minorities. I think that is the charge from the National Party's point of view.

[Eglin] But you know, really, I think you are paraphrasing the poster incorrectly.

[Robinson] I'm just quoting the poster.

[Eglin] I realize that. Mr F.W. de Klerk has suddenly discovered the wheel. I mean, that phrase, the concept of sharing of power without domination of one group over the other, has been part of the (?seven) principles of the PFP way back since 1977. It is absolutely nothing new, and we stand by it. But Mr F. W. de Klerk only thinks of group in terms of races. He has an obsession with race. Now, I accept that there are race groups in South Africa, but there are other things which people have in common. They have other values in common, they have got economic values in common, they have got religious values in

in common. What we don't believe is that we should start off our politics in South Africa by saying; you are labeled black, you are labeled Shangaan, you are white, and it is on that basis that you must conduct your policy. We believe that they should be a negotiation and out of that negotiation in exactly the same way as at the Indaba in Natal, there was a compromise which led to an acceptable solution for the people of Kwazulu and Natal which involves participation of everybody and protection and our model, which we will inject into the debate, and which do not say is going to be the final answer, because the final answer is negotiation, and our model involves first of all, massive decentralization of power away from the central government. So it is really not at central level only, but at regions and provinces, and from there again to local city councils. So at no point is any one group dominant, there will be many places in which power is exercised.

Secondly, we believe that there must be proportional representation and that means that minorities must not only have representation in the legislature, minorities must have representation on the executive, on the cabinet, and that those cabinets have to operate on consensus, and as soon as you have a consensus operating system, you have built into that protection for minorities. And if you like some more, very importantly, we believe that there should be a bill of rights which protects the rights of individual South Africans. The right of the individual should not be handed out like licenses by Minister de Klerk, Minister Stoffel Botha, they should belong to you and me. And one of those important rights is the right of freedom of association. So once you have a bill of rights, you have limited the area in which government is entitled to govern, they cannot go beyond the bill of rights, and that is a very very important protection not only for individuals but for individuals who are on a voluntary basis want to express themselves as groups.

And finally if I might say, we think that there should be special provisions by entrenchments in the constitution on sensitive areas like voluntary association, like freedom in the economic system, like parliamentary democracy, like the role of the courts, and that no majority can on simple majority take those rights away. We believe they should be entrenched in the constitution so that even minorities can try to protect themselves if in fact they need that protection.

[Robinson] Thank you, Mr Eglin.

FORMER PFP MP ANNOUNCES INDEPENDENT CANDIDACY

MB151918 Johannesburg SAPA in English 1917 GMT 15 Mar 87

[Text] Johannesburg, 15 March, SAPA--Former PFP MP Mr Horace Van Rensburg will stand as an independent candidate in the Bryanston constituency in the forthcoming elections, Mr Van Rensburg said in a statement tonight. He said he had represented the area since 1970 when he captured the "safe" National Party seat with a majority of 1771. Mr Van Rensburg was re-elected in 1974, 1977 and 1981.

Mr Van Rensburg said he had "vigorously" opposed the government when he believed their statements and actions were not in South Africa's interest and encouraged and supported the government when their statements were in the interest of all its people. "I believe that all politicians should count their words carefully so as not to exacerbate an already tense and explosive situation in our country and in order not to add fuel to the raging international anti-South African campaign. I believe that we should all attempt to be reasonable and sensible at all times and that we should be prepared to compromise to make progress."

Mr Van Rensburg said all South Africans "of goodwill" yearned for "a truly just" South Africa, and that he would work "ceaselessly" to achieve this "vital" objective. "It means that all remaining forms of statutory discrimination must be removed as soon as possible. It means that the objective of equal opportunity for all must be pursued with vigour and determination. It means that individual and group rights must be protected effectively in law. It means that we must find a generally acceptable constitution by means of vigorous and flexible negotiations in which all South Africa's people will participate."

Mr Van Rensburg said one of his campaign principles would be a secure society. He said the majority of all South Africans would "not tolerate persons and organisations that seek to make South Africa ungovernable, promote violence and bloodshed and pursue the path of revolution. "We cannot stand by and see our country slide into anarchy; South Africa must not become a second Lebanon."

He said although he was "distressed" that it was necessary to use such measures, he supported the use of emergency regulations, "provided they are suspended the moment they are no longer essential to prevent death and destruction." He said he believed that persons and organisations responsible for "intimidation in any shape or form must be severely dealt with."

The communist party, "in whichever guise it may appear," should not be unbanned and should not be allowed to exist or operate in South Africa, Mr Van Rensburg said. "The communist party has a single minded purpose to grab power ruthlessly, unscrupulously and in any way possible, after which it will destroy the democratic system to avoid being challenged."

Mr Van Rensburg said he supported a private enterprise economic system, and advocated social welfare programmes to support the millions of disadvantaged people in the country.

He said he believed the following related issues had to be dealt with vigorous, singleminded determination:

- To promote and develop small business entrepreneurship, particularly for our black community;

- To privatise all government services and activities that could be more efficiently provided by the private sector;

- To deregulate our economy as far as is possible;

- To promote private homeownership and private ownership of property and the means of production.

"In this way we could move away from socialism and towards a prosperous and stable private enterprise economy," he said.

Mr Van Rensburg said he believed in the creation of a broad effective moderate front. "The only effective political bulwark against the far right and the far left is the creation of a united, organised and determined broad moderate front which would accommodate all moderate business, industrial, academic, religious, political and community groups in South Africa." He said he would "cooperate with all persons and organisations with a similar objective."

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CSO: 3400/253

SOUTH AFRICA

PFPP'S SCHWARZ ISSUES ECONOMIC POLICY STATEMENT

MB8181929 Johannesburg SAPA in English 1905 GMT 18 Mar 87

[Text] Johannesburg, 18 March, SAPA--The National Party had played a major role in creating the highest number of unemployed, and the greatest degree of instability in living memory in South Africa, Progressive Federal Party spokesman on finance, Mr Harry Schwarz, said today.

He said in an economic policy statement to SAPA it would be on these issues that his party would fight the NP this election. These issues had combined with an "inefficient administration and the application of incorrect policies," to result in a loss of both consumer and investor confidence. "Inflation will have to be fought by restricting the share of government in the economy, ensuring that monopolies and economic power concentration do not artificially increase prices and ensuring that the true competitive circumstances exist in the market place with adequate legislative consumer protection."

Mr Schwarz went on to say the PFPP regarded pensioners in a special light and would introduce an inflation proof savings medium for the elderly. Unemployment, economic growth and stability, he said, would be dealt with simultaneously by creating employment programmes. These programmes would "improve the quality of life by job creation to build facilities in underprivileged areas such as houses, recreation centres, provide electricity, sewerage, lay out parks, etc. We will create a caring society, but one with incentive to work."

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CSO: 3400/253

VAN RENSBURG CLAIMS PFP FAVORS LEGALIZING SACP

MB180819 Johannesburg SAPA in English 0124 GMT 18 Mar 87

[Text] Johannesburg 17 March SAPA--It was essential that the official opposition "fully informed South Africans about the PFP's attitude to the South African Communist Party, former PFP MP Mr Horace Van Rensburg said tonight. Mr Van Rensburg--who quit the Progressive Federal Party recently charging, among other allegations, that it was anti-Afrikaner--said in a statement tonight his former party had said it would unban all banned organisations, including the SACP.

"The SACP will then be a legitimate political party enjoying the same freedoms and democratic opportunities as all other political parties in our country," the statement delivered to SAPA by Mr Van Rensburg said. The SACP would then be subject "only to the provisions of South African common law."

"If it (the SACP) transgresses any common law provisions, the courts will then deal with it. As an example, if it perpetrates violence, the courts would act."

He said the communist party "has never, does not now and will never practice, honour or maintain true democracy." He added the SACP "has a singleminded purpose to attain power ruthlessly... in any way possible." Mr Van Rensburg warned the SACP would "exploit democratic opportunities" to get power and "immediately destroy democracy to avoid being challenged."

He said it was not possible to negotiate with communists and asked if the PFP was prepared to allow the SACP to exist and operate freely in South Africa, would it follow that the PFP would also allow SACP members to join the SAP and SADF.

He said a survey he had done of PFP supporters in the Bryanston constituency showed "over 90 percent of them do not know PFP policy provides for the unbanning of the communist party and are strongly opposed to it."

The "inevitable twin arguments" that it was best to have the SACP in the open and that CP's had not progressed in Western Europe were "naive... and dangerous." Communist parties around the world never stopped in their efforts to achieve totalitarian power. South Africa was an underdeveloped Third World country "with a majority of deprived, unsophisticated people who are defenceless against the guile and cunning of the communists."

He urged all to put their "efforts, talents and resources" to work in creating a just society for all--a task which would take many years. "Until then we must protect our society with all the resources and determination at our disposal against the menace of communism...."

In another statement today, Mr Van Rensburg repeated an invitation to his opponents in Bryanston to join him on a public platform to debate the political issues of the day, saying public debates were far more interesting than "run of the mill public meetings."

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CSO: 3400/253

DETAINEES MEMORANDUM REQUESTS VISIT BY VLOK

MB141128 Johannesburg WEEKLY MAIL in English 13-19 Mar 87 p 1

[By Moira Levy]

[Text] One hundred and nine detainees at Victor Verster prison near Paarl have sent a joint memorandum to Minister of Law and Order Adriaan Vlok demanding that he visit them in jail "to address us on the reason for our continued detention, and say when we will be released."

The memorandum, sent directly from prison to Vlok, alleges that 109 detainees are currently being held at Victor Verster, of whom 8 are younger than 16, 16 are under 18 and 6 are over 50. They include a chronic epileptic and TB sufferers, hypertensives and "people badly in need of psychiatric treatment."

Much of the content of the memorandum cannot be reported in terms of the Emergency Regulations, but a UDF representative confirmed that the appeal had been sent.

The detainees demand the lifting of the emergency and the immediate and unconditional release of all detainees, the release of Nelson Mandela and other political prisoners, and the unbanning of the ANC.

The detainees also call for "a move away from the current trend of militarisation which is evident by the presence of troops in our townships, the formation of vigilante groups and death squads and the Kitskonstabels" (Special Constables].

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CSO: 3400/253

STAR REPORTER MUST REVEAL SOURCES ON DETAINEE ABUSE

May Be Imprisoned

MB180819 Johannesburg SAPA in English 0738 GMT 18 Mar 87

[Text] Johannesburg 18 March SAPA--A reporter of Johannesburg STAR newspaper, Jo-Anne Richards, has been served with a subpoena in terms of Section 205 of the criminal code, demanding that she reveal to the police her confidential sources. She must give the names and addresses of one or more doctors whom she has quoted, or appear before a magistrate on Thursday next week to be examined by a public prosecutor. If Richards refuses to reveal her sources she may summarily be committed to prison for up to 5 years.

The subpoena raises grave implications, not merely for Richards, THE STAR and all professional journalists--but for the medical profession. The issue of doctor-patient confidentiality might also finally be put to the test. At least half a dozen doctors are involved. But many more will be faced with a similar dilemma in the coming weeks.

The dreaded "205," a device used by the police to obtain information, leaves a reporter the choice of breaking his or her word--or going to jail. In this case it concerns a report published in THE STAR in September last year. The report was referred to the SA police for comment, and the allegations and official refutations published side by side.

The "205" was issued this month--nearly half a year after the published report.

Under the heading "Detainees Showed Signs of Physical Abuse, Says Doctor," Jo-Anne Richards reported that 40 released detainees complaining of injuries had been referred to a panel of doctors for examination the previous year. Doctors, who volunteered their services free, found that more than half of their patients had been "severely injured." One doctor collated the statistics from the notes of six other doctors. His findings were published, but not his name.

The full report was shown in advance to the police who said the allegations were too vague to permit investigation. The police produced statistics to show that very few complaints could be believed. Out of 310 thoroughly investigated cases, only two had been referred to the attorney-general.

The police now demand the names and addresses of the doctors and their patients so as to investigate alleged offences. The dilemma is that the patients will not voluntarily come forward, for there is no guarantee that they will not be re-detained and interrogated. Apparently they fear they will be victimised. There are precedents in which detainees, rather than their custodians, are prosecuted.

The police believe there is a concerted campaign against them, and that some detainees have deliberately lied. Thus some complainants have been taken in for questioning. Sometimes evidence based on the complainants' own signed confessions after they have been interrogated by the police about their complaints of assault, is gathered as a basis for a charge.

The dilemma is that if Richards were to go back on her undertaking to the doctor, the doctor would probably himself be summoned to reveal confidential information about his own patients. This will raise the whole issue of a doctor's right to elicit information from a patient on a confidential basis.

Journalist Groups Support STAR Reporter

MB181209 Johannesburg SAPA in English 1143 GMT 18 Mar 87

[Text] Johannesburg 18 March SAPA--The South African Society of Journalists [SASJ] and the International Federation of Journalists [IFJ] today expressed their concern and support for STAR reporter Jo-Anne Richards who has been served with a subpoena in terms of Section 205 of the Criminal Procedures Act.

The Medical Association, however, says that if Miss Richards is forced to reveal the names of doctors who told her about abuse suffered by detainees, the doctors would be permitted to reveal confidential information about their patients in a court of law if required to do so by a magistrate or judge.

Mr A. Volschenk, the legal adviser to the Medical Association of South Africa, said the ethical rule relating to confidential information was that a doctor may not divulge verbally or in writing any information which ought not to be divulged regarding the ailment of a patient without the patient's express permission. "I would assume this rule relates to revealing the name of a patient as well," said Mr Volschenk.

He said the second part of the ethic was "in a court professional secrets may only be revealed under protest after the directive of a presiding officer. The doctor would, therefore, be obliged to reveal confidential information, including the name of his patient, if subpoenaed under Section 205 of the Criminal Procedure Act, albeit under protest.

"If there were a complaint to the Medical and Dental Council that he had acted unethically, he would be exonerated by the council" said Mr Volschenk.

SASJ president, Pat Sidley, said the SASJ "can't help but note the most recent press restrictions specifically deny the public's right to know about allegations of maltreatment of detainees by public servants.

"We believe the subpoena's purpose is retrospectively to enforce these new regulations so that no information about possible abuses may be drawn to the public's attention.

"We support Miss Richards' right to refuse to disclose her sources. It would seem that upon this right rests not only the doctor/patient confidentiality but possibly the lives of the patients themselves.

"We hope Miss Richards' right will be supported by her newspaper and by the public in whose interests she wrote the story," Sidley said.

The African representative of the IFJ, Thami Mazwai said the subpoena served on Richards is "another manifestation of the government's campaign against the media and THE STAR in particular.

"The knives are obviously out for THE STAR and its journalists after the newspaper's admirable stand against interference by the police in its editorial content.

"This is a danger faced by all newspapers in the country, particularly those acceptable to the country's silent majority, black South Africa, and its community organisations.

"The IFJ will not stand aloof when these vicious inroads into press freedom and the right of journalists to protect its sources are made. Colleague Jo-Anne Richards will get all the support she needs and what she had to do is to stand firm in defence of the sacred principles we all share," Mazwai said.

The IFJ called on the government to stop "persecuting journalists or interfere with newspapers in publishing what is of public interest to the country in this time of crisis."

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CSO: 3400/251

COMMENTARY ON 'SALUTARY' EFFECTS OF EMERGENCY

MB160527 Johannesburg Domestic Service in English 0500 GMT 16 Mar 87

[Station commentary]

[Text] The state of emergency has just entered its 9th month. There can be few South Africans who would not like to see an end to the emergency and measures taken to normalize the situation--ranging from the lifting of restrictions on what may be published in newspapers to the withdrawal of the security force presence in black townships. But the necessity for the state of emergency having been introduced in the first place, and the salutary effects it has had, have been abundantly demonstrated by statistics and the factual position in the townships.

Statistics show that in the first 6 months of the emergency the number of incidents of violence fell by 70 percent and the number of deaths by nearly 60 percent when compared with the 6-month period prior to the declaration of the state of emergency. Since then, there has been a further decline in violence and unrest, with the number of incidents recorded in January and February being the lowest since December 1984.

Although there has been much criticism about the presence of security forces in the townships, the people most affected--the township dwellers--have come to recognize and acknowledge the need for this presence and the beneficial impact it is having on their daily lives. A recent survey of nearly 2,800 residents of Alexandra--a township outside Johannesburg that was the scene of much unrest and violence last year--showed that 92.7 percent of the residents supported the security force presence, 87 percent said there has been a decline in intimidation and 81 percent said crime had decreased.

In addition to the security force presence, local communities have played an enormously important role in creating the more favorable climate in the townships. Councillors and other leaders, parents and students have insisted on a return to school; have come forward with information on terrorists and criminals; and, in extremely difficult circumstances, have stood up against the intimidation and barbarism of the ANC, PAC and others.

A particularly pleasing aspect of the overall situation in the townships is that, as violence has declined, so has it been possible to move ahead with

urban renewal programs. Last week, for example, 92 million rands was earmarked for renewal projects in the once unrest-torn Alexandra. In all, 1,800 projects for upgrading, redeveloping and laying out new townships in black, colored, and Indian areas are underway at a total cost of 1,000 million rands.

The successful countering of unrest is vital if success is to be achieved with the most important challenge of all: the negotiation, in a climate free of intimidation, of a new political and constitutional dispensation for the urban black population.

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CSO: 3400/253

SACHED WARNED OF CHARGES FROM FOREIGN FUNDING

MB171534 Johannesburg BUSINESS DAY in English 17 Mar 87 p 1

[By Patrick Bulger]

[Text] The SA Council for Higher Education (SACHED), one of many organisations currently under investigation by the Directorate of Funding-Raising (DFR), was told yesterday to expect charges arising from foreign funding.

SACHED is an educational trust which attempts to compensate for the present inadequacies in black education.

It is funded by local and foreign funds which run into millions of rands, according to director John Samuel.

Samuel said he had been called by a police colonel and told a docket had been opened and he could expect charges relating to receiving foreign funds. The colonel was not available for comment yesterday.

SACHED operates Tureet Correspondence College, which provides correspondence courses for some 1,500 blacks matriculants and a tutorial support programme for black university students.

In addition to a labour education and training programme, SACHED publishes education material and a magazine for young black schoolchildren.

There have been claims that at least 50 organisations are currently being investigated by the DFR.

But DFR chief director J.C. Visser yesterday denied in a telex to BUSINESS DAY that anti-apartheid funding was specifically under investigation by government.

He stressed that all groups collecting funds from the public were investigated on an ongoing basis.

The following organisations have told BUSINESS DAY they have been visited by DFR inspectors:

The National Education Crisis Committee (NECC), a signatory to the "Unban the ANC" adverts which are under investigation by the Munnik Commission;

The Black Sash in Port Elizabeth and Grahamstown;

The Wilgerspruit Fellowship Centre, which is linked to the SA Council of Churches;

The Reverend Allan Boesak's Cape Town-based Peace and Justice Foundation;

The United Democratic Front; and

A number of smaller community organisation, including the Northern Transvaal Advice Office and the Cape-based Montagu Project.

The DFR refuses to provide information about its investigations.

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DPSC, BLACK SASH LAUNCH FREEDOM FORUM

MB181906 Johannesburg SAPA in English 1854 GMT 18 Mar 87

[Text] Johannesburg 18 March SAPA--The Five Freedom Forum, comprising an alliance of organisations aimed at ending apartheid and discrimination in South Africa, was launched at a press conference today.

One of the people behind the forum, Mr David Webster of the Detainees Parents Support Committee [DPSC], said the idea had started during the first emergency last year. Its immediate aim was to bring about the end of the emergency. After the election for whites was announced at the beginning of this year, it was decided to bring to the attention of the people the issues which should be of concern in an election, he told reporters. He said the forum would urge people to vote on an informed basis.

Mrs Sheena Duncan, president of the Black Sash, said people who had the right to vote should demand of their candidate whether he or she stood for the "five freedoms." She said the five freedoms were: freedom from want, freedom of speech and association, freedom from fear, freedom of discrimination and exploitation, and freedom of conscience.

Mrs Duncan said she could not understand how the state president, Mr P.W. Botha, in his speech in parliament this year, had managed to make the "forum" organisation appear sinister. She said the aims of the forum were the same as those of its individual members.

Mr Webster said Mr Craig Williamson, the NP candidate in Bryanston, had attempted to smear the organisation by linking it to an ANC operation called "Roses," allegedly aimed at causing disunity among whites in the election. He said the formation of the forum had been conceived long before announcement of the general election.

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CSO: 3400/253

URBAN FOUNDATION HEAD OPPOSES GROUP AREAS

MB181952 Johannesburg SAPA in English 1947 GMT 18 Mar 87

[Text] Johannesburg, 18 March, SAPA--The private sector should put its collective weight behind pressures for the abolition of the group areas act because its removal would be a signal to overseas investors of real reform, the chairman of the Urban Foundation, Mr Jan Steyn, said tonight.

Addressing a bankers' meeting in Sandton, he said with pressure this particular reform was achievable within 2 or 3 years. This would encourage overseas investment and stimulate economic growth. Group areas directly inhibited the speed of recovery of the construction industry. Not only did it severely constrain the access by blacks to new land for housing, but it also distorted the housing market. White houses were in oversupply and black housing in critical undersupply.

"While this act is in existence, black management development will not succeed, because successful managers are a product of an urban middle and upper middle class culture, the development of which the Group Areas Act denies to black people." It has for years alienated blacks from South African society and divided the modern culture into compartments, he said.

He appealed to the bankers to continue to assist on-going projects on the Group Areas Act, but to make their opposition to the act known.

Mr Steyn said sanctions and political disinvestment were reasons for the unrest, currently kept calm by the state of emergency. These factors continued to inhibit job creation and resulted in mounting unemployment even though an economic upswing was predicted. Revolutionary collapse or a right-wing military dictatorship were not around the corner and things were unlikely to "fall apart."

Mr Steyn appealed to industrialists to involve a range of expertise for spelling out steps to restore confidence. A new avenue of investment was needed, hitherto considered risky, which involved the application of capital to the expansion of social infrastructure. He said he found little constructive planning by industry to stimulate the market. Black housing was an example.

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COMMENTARY DEFENDS REGIONAL SERVICE COUNCILS

MB190528 Johannesburg Domestic Service in English 0500 GMT 19 Mar 87

[Station commentary]

[Text] It is understandable that the establishment of regional services councils, the first eight of which are to begin functioning in 3 months time, is eliciting somewhat heated comment.

Apart from what some see as their political significance, they have financial implications for the wealthier white communities in general and the business sector in particular. There is a danger, however, that in this welter of argument the most profound significance of this new institution in the South African governmental system is being disregarded.

The regional services councils are destined to be by far the most effective instrument yet devised for achieving a purpose which by consensus is a national priority--that is, the rapid advancement of the disadvantages and underdeveloped communities in the country's urban population.

The immediate benefit obviously lies in the rationalization of provision of service like water and power. But this new dimension in third-tier government goes beyond that. To start with, the regional services councils are, within the sphere of jurisdiction provided for legislation, bodies for power-sharing among all communities in matters which concern all at local government level.

Furthermore, they will decide on how excess revenue, derived from the business levies should be allocated in respect of development projects. It is clear that the result is going to be a strong movement of financial resources from the wealthier areas, where almost all business is situated, to the less favoured areas.

In fact, the development impact of the new system has been stated to be a major purpose. Mr Len Dekker, a director in the Department of Constitutional Development and planning, points out that: Everybody agrees that the non-white population must have more services--and somebody must pay for them.

The newly appointed chairman of the Central Witwatersrand Council, Mr Gerrit Bornman, says: There exists a tremendous need for help in the developing

communities, and we are going to see considerable improvement in the present situation in those areas. Mr Tom Boya, president of the United Municipalities of South Africa, believes the councils will provide black local authorities with the viable financial basis that they now lack.

Impressive though the promised development initiative may be, it is not simply a matter of the rich subsidizing the poor. Among many urban blacks there is an understandable belief that in fact they have subsidizing white municipalities, since historical circumstances have forced them to do their shopping in white areas and contribute in large measure to the profits of businesses that pay their rates and taxes in those areas. Be that as it may, the regional services councils will be fulfilling an essential function in urban South Africa in coming years.

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BRIEFS

DECREASED UNREST DEATHS CLAIMED--The Bureau of Information believes unrest deaths have reached the lowest level in 2 years. In the review issued on behalf of the bureau, it said 16 people were killed during February but adds that this does not mean that the state of emergency can be lifted. Meanwhile, the head of the Institute of Race Relations [SAIRR], John Tenburman, has also said the level of death has decreased but gave a different interpretation. [Begin Tenburman recording] The proportion of deaths in political violence which have originated in conflict within the black community has grown, while the proportion of death caused by the security forces has decreased. [end recording] [Excerpts] [Umtata Capital Radio in English 1400 GMT 11 Mar 87 MB] /12232

BLACK SASH RESOLUTIONS--Cape Town 16 March SAPA--The Black Sash will work "more strenuously than ever against the system of injustice," Mrs Mary Burton said yesterday after being reelected national president of the Black Sash for the second year running. She was speaking at the end of the 4-day annual national conference in Rondebosch at which 200 members, delegates and observers from around the country presented reports on Black Sash activities. She described some of the reports from the various regions as "deeply disturbing," particularly reports on impoverishment. The conference, which met yesterday for the first time since the declaration of the emergency of 12 June, resolved: to condemn this resort (by government) to increased repression, to call for an end to repressive policies, to work more strenuously than ever against the system of injustice "that is plunging our country into ever-deepening conflict," to work for the achievement of a just, democratic, non-racial society in a reunited South Africa. [Text] [Johannesburg SAPA in English 0812 GMT 16 Mar 87 MB] /12232

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